



GOVERNMENT OF INDIA

# POSTS AND TELEGRAPHS AUDIT CODE

VOLUME II

## TECHNICAL AUDIT CODE

(POSTAL)

*Corrected upto 30th September 1937*

*FIRST EDITION (Reprint)*



Issued by authority of the Auditor General in India.

PUBLISHED BY THE MANAGER OF PUBLICATIONS, DELHI.  
PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, SIMLA.  
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## P R E F A C E.

The Technical Audit Code (Postal) forms the second Volume of the Posts and Telegraphs Audit Code, and deals with the rules of procedure for the audit of and accounting for special transactions of the Post Office Branch of the Indian Posts and Telegraphs Department, *e.g.*, Post Office Insurance Fund, Savings Bank, Money Orders, etc. It replaces the corresponding Chapters of the Postal Account Code, Volume II, hitherto in use in the offices of the Deputy Accountants General, Posts and Telegraphs.

2. Amendments to this Code will be issued by the Accountant General, Posts and Telegraphs, who will be responsible for obtaining the approval of the Auditor General whenever this is necessary. All suggestions regarding amendments should be addressed to that officer.

M. F. GAUNTLETT,  
*Auditor General.*

NEW DELHI,  
*The 9th February 1938.*



PREFACE TO FIRST EDITION (REPRINT).

This edition brings the book up to date by incorporating all corrections issued up to the 30th September 1937.

The opportunity has been taken to incorporate the recent changes in the rules relating to Government Securities, Cash Certificates and Customs Duty, in Chapters 2, 4 and 9 respectively, as well as to make certain minor amendments here and there.

It is requested that errors or omissions that may come to light, may be brought to the notice of the Accountant General, Posts and Telegraphs.

NEW DELHI ;  
*The 27th October 1937.*      B. NEHRU,  
*Accountant General, Posts and Telegraphs.*



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## CHAPTER 1.—POST OFFICE INSURANCE FUND.

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### Introductory.

1. Rules regulating the general business of the Post Office Insurance Fund are issued by the Government of India. The Director General, Posts and Telegraphs, as the Administrator of the Fund, is also empowered to issue subsidiary rules in connection with the business of the Fund. Rules issued by the Government of India, together with those issued by the Director General, have been embodied in Appendix F to the Posts and Telegraphs Manual, Volume VI, and in a separate pamphlet hereinafter referred to as "The Postal Insurance Rules".

Rules prescribing the maintenance of accounts and submission of accounts returns to the Audit Office in connection with the transactions of the Fund will be found in Chapters 15 and 22 of the Posts and Telegraphs Initial Account Code, Volume I.

2. The functions of the Audit Office in connection with the business of the Fund consist not only in auditing and finally accounting for all receipts and payments of the Fund and in preparing statistical and financial returns thereto, but also in the following:—

- (i) Examining the eligibility of the life accepted,
- (ii) Fixing the premium payable,
- (iii) Arranging for the recovery of the first and subsequent premia,

- (iv) Issuing the policy on behalf of the Director General,
- (v) Renewing a contract or policy that has lapsed under rule 40 of the Postal Insurance Rules,
- (vi) Working out and intimating the terms of all conversions and commutations, and
- (vii) Reporting to the Postmaster General concerned, the total amount due for payment on the surrender or maturity of a policy, etc., etc.

The audit and accounts work relating to the transactions of the Fund is conducted in a separate section of the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta. The Section is placed in charge of an Assistant Accounts Officer who is directly responsible to the Deputy Accountant General, and through him to the Accountant General, for the proper working of the Section.

NOTE.—All personal matters dealt with in the section should be treated as strictly confidential

3. All premia, subscriptions, medical fees and fines realised are credited to the Fund and all claims arising out of policies and contracts, the cost of medical examination of the lives proposed and all expenses incidental to the working, administration, auditing, accounting, valuation and mortality investigations of the Fund are paid out of the Fund. The accounts of the Fund are incorporated in the Debt Section of the Government accounts and the balance at credit of the Fund accumulates with interest at a rate prescribed by the Government of India from time to time.

For administrative purposes the Fund is divided into three branches, viz., (1) Life Insurance, (2) Endowment Assurance, and (3) Monthly Allowance.

NOTE.—The monthly allowance scheme is discontinued from the 1st October 1930 but the contracts executed before that date remain unaffected

### Definitions and Explanations.

4. Besides the terms defined in the Postal Insurance Rules, the following additional terms as used in this Chapter are defined below :—

(a) *Date of Entry* is the date from which a policy or contract comes into effect on being concluded, and is the date of payment of the *First* premium or subscription, under G. I. F. D. No. 959, dated the 16th February 1901.

(b) *Office Age at Entry*, as distinguished from the *Actual Age* at entry, is the age with reference to which the rate of premium or subscription payable has been fixed. It is, in the case of Insurance, the age (next birthday) following on, and in the case of Allowance, the complete year of age nearer to the date of entry.

*Explanation.*—If on the date of entry the actual age of a subscriber be 29 years 5 months and 29 days, then the office age at entry in the case of Insurance is “30”, and in the case of Allowance “29”.

NOTE.—With regard to Life Insurance policies issued prior to 25th May 1914, where the office age was taken as the nearer complete age, the office age at entry for the purpose of the “Attained Age”, as explained hereinafter, is to be taken as the age next birthday following on the date of entry.

(c) *Attained Age* is, in the case of Insurance, the age derived by adding to the office age at entry (next birthday) the number of years’ premiums paid ; while in the case of Allowance it is to be taken as the nearer complete age of the subscriber at the period in question.

NOTE 1.—In the case of Insurance, the attained age may include fractional duration while it is always integral in the case of Allowance

NOTE 2.—In the case of those limited payment Life Insurance and Endowment Assurance policies under which the number of premia payable falls short of the maximum number, the attained age is derived by subtracting from the age at which premia are to cease, the number of premia remaining to be paid.

(d) *Valuation Year of Birth* in respect of any policy means the year arrived at by deducting the age (next birthday) at entry of the insurant from the year on the 31st March (Second of the two calendar years involved in the financial year) in which the policy is issued

(e) *Reserve value* of a policy means the amount that should be debited or credited, as the case may be, to a branch of the Fund on account of the conversion of the Policy from one class to another. This value is ascertained from the Actuary to the Government of India.

5. The duties of a non-Postal Audit Office in connection with the Fund consist (a) in seeing that premiums and subscriptions recoverable from all insurants under his audit are duly recovered by the Heads of Offices concerned, (b) in scheduling all premiums or subscriptions when they have been deducted from the pay or pension bills of subscribers in his audit jurisdiction, and (c) in sending the schedules monthly to the Deputy Accountant General, Posts and Telegraphs, Calcutta, in support of the credit for the total amount transferred through the Exchange Accounts to the Posts and Telegraphs (*vide* Article 453 of the Audit Code).

6. An Audit Officer of the Posts and Telegraphs Department is responsible for accounting and consolidating by Circles all premiums and subscriptions that have been recovered not only by deduction from pay bills but also in cash, and also all payments including refunds in connection with the Fund that have occurred in the offices under his audit jurisdiction. The statements and schedules referred to in Article 415 of Volume I of this Code should be sent by each Branch Audit Officer to the Deputy Accountant General, Posts and Telegraphs, Calcutta, on the dates prescribed in that Article.

The sorting of paid money orders should be completed on the dates ted below :—

1st period	18th of the next month.
2nd period	3rd of the second month following.

416 Each bundle of money orders received from the Paid list group is amined by the Supervisor to see that the number of vouchers shown on the p placed on the top of the bundle agrees with the corresponding entry in e Memo (Form A. G. P. T.-407). The Supervisor should note against each try in the Memo. the names of sorters among whom the vouchers will be stributed for counting, keeping in view that each sorter may get approxi- ately 1,000 vouchers. The vouchers will then be distributed among the rters for sorting.

A progress register for each sorter should be maintained in Form A. G. T.-410.

417. The sorter will verify, by actual counting, the number of vouchers ted in the Memo. and then sort the money orders by Head Offices of issue th reference to the money order name-stamp impressed at the top of each oney order. The sorted bundles will be collected by the distributors from ch sorter, and after necessary entries have been made in the progress register, e sorted orders will b e collected in a receptacle for each Head Office.

9. After the calculations have been worked out, the intimation of the first premium as well as the last date by which it has to be paid is written out in Form A. G. P. T.-102, in triplicate, one copy being meant for the proposer, the second for the receiving Postmaster, as named in the intimation of acceptance, and the third for the Postmaster-General concerned. With the Postmaster's copy, a loose sheet of Form No. A. G. P. T.-103 should be enclosed with the request that it may be returned duly filled in, on the very day on which the premium is credited. The calculation in Form A. G. P. T.-101 along with the intimations, after they have been carefully checked by an Accountant, should be placed before the Gazetted Officer for signature. After they have been passed by the Gazetted Officer, the last due date for the payment of the first premium, the rate and the date of despatch of the intimations should be noted against the items concerned in the Register in Form A. G. P. T.-100, and the intimations should be despatched "Registered" on Postal Service except the copies for the Postmaster General and the Postmaster which are despatched as ordinary official letters.

NOTE 1.—When two rates are intimated, the two dates and the two rates are noted in the Register under "last date", and "amount of premium", the earlier date and the lower rate being entered in red ink.

NOTE 2.—When it is apprehended that an intimation cannot reach the party and the Postmaster concerned by post in time, telegraphic notices may be sent, which are confirmed by the despatch of these formal intimations. Telegrams must not be sent unnecessarily.

10. When intimation of credit of the first premium is received from the Postmaster, the date of payment should be noted against the item concerned in the Register in Form A. G. P. T.-100. This Register should be reviewed fortnightly by an Accountant, and monthly on the 10th of each month by the Gazetted Officer who should see whether the intimations of acceptance are being promptly disposed of by the Section and whether there is any case in which information as to the credit of first premium has not been received within a week from the last date noted. In the latter case an enquiry should be made of the receiving Postmaster as well as of the person whose life has been accepted, in Form No. A. G. P. T.-105, the latter being warned that by the non-payment, he has rendered himself liable to pay a sum of Rs. 4 for his medical examination and to refund any travelling allowance granted under the rules. A copy of this intimation is sent to the Postmaster-General concerned for his information. When the actual fact of non-payment is established, the Audit Officer (in the case of proposers belonging to the departments other than the Indian Posts and Telegraphs Department) or the immediate superior concerned (in the case of proposers of the Indian Posts and Telegraphs Department) should be asked in Form No. A. G. P. T.-106 to effect recovery, and intimation of the action taken being given to the Postmaster General concerned and necessary notes about the amount to be recovered made in sufficient detail in Registers in Forms Nos. A. G. P. T.-107 and 108. Recoveries, when effected, should be

entered in the same registers. Irrecoverable amounts may be written off by the Deputy Accountant General on his being satisfied that recovery cannot be effected.

**NOTE 1**—If it happens that the first premium could not be paid owing to circumstances beyond the control of the life accepted, and that there has been no intention of not insuring in the Fund, then subject to the continued good health of the life, the limit of 60 days may be extended by the Deputy Accountant General for a reasonable period not exceeding 90 days. If, however, it comes to his knowledge that the health has been impaired in the meantime, the Postmaster-General should be asked whether a second medical examination is to be insisted on before the time limit is extended.

**NOTE 2**—If a life accepted becomes ineligible for admission into the benefits of the Fund at the time of paying the first premium, and if the first premium has not been accepted by the Postmaster, the fee for medical examination and the travelling allowance, if granted, are not recovered from him.

### Issue of Policies.

**11.** On receipt of information from the receiving Postmaster as to the payment of the first premium and after the date of payment has been noted in the Register in Form No. A. G. P. T.-100 (see Article 10), the policy should be drawn up in the proper form as laid down in Articles 12 to 15.

**NOTE.**—When the intimation of credit of first premium is received not from the receiving Postmaster, but from the proposer concerned, no policy or contract should be issued until and unless the credit has been traced in the accounts (schedules received). To avoid delay, the receiving Postmaster may be asked to corroborate the statement of the person concerned in Form No. A. G. P. T.-109.

**12.** The following are the different forms in use for the issue of policies:—

- (1) L.I.-1 for limited payment Life Insurance.
- (2) L.I.-2 for whole Life Insurance.
- (3) L.I.-3 for Endowment Assurance.

**13.** With effect from the 1st April 1930, Policies are being numbered in four separate series as detailed below, beginning with one in each case:—

- (i) C series for all insurants belonging to the Civil Departments including Local Funds.
- (ii) M series for all insurants belonging to the Military Department including Naval and Air Forces.
- (iii) R series for all insurants belonging to Railways.
- (iv) P series for all insurants belonging to the Indian Posts and Telegraphs Department.

**N.B.**—Female lives are denoted by the letter 'F' placed against the numbers in brackets in addition to the usual notation.

**NOTE.**—Policies bearing dates prior to the 1st April 1930 were numbered in a consecutive series running from the very commencement of the Fund. Policies belonging to non-postal employees were, however, given double numbers, the numerator being the special serial number

with the distinguishing index letter as indicated below against the department concerned, and the denominator being the general serial number

‘C’—for Civil Departments ,

‘L’—for Local Fund servants ,

‘M’—for Military and Marine Departments ,

‘T’—for Telegraph Branch of the Indian Posts and Telegraphs Department , and

‘R’—for Railways

14. A separate register of policies issued (Form A G P. T-110) should be maintained for each of the series mentioned in Article 13 and all policies relating to a particular series should be entered in the register of that series in consecutive order. After the policy, Premium Receipt Book and other connected documents have been written out and checked and the Policy has been entered in the Register of Policies issued, they are placed before the Accountant in charge for examination. The Policy, and the Policy Issue register should be submitted to the Gazetted Officer for signature and attestation. The Premium Receipt Book and covering printed letters will be signed by the Accountant.

NOTE 1 —Each policy is given the date of entry as defined in Article 4

NOTE 2 —Although the policies relating to Local Fund employees are given Civil numbers in the ‘C’ series [vide item (a) in Article 13], for statistical purposes a distinguishing letter ‘L’ should be written in the Policy Register against such policies

15. After the documents have been passed and signed by the Accountant and the Gazetted Officer, the Policy with the accompanying documents is despatched to the Post Office named by the assured by “Registered Postal Service” for delivery under proper acknowledgment to the party concerned, who as well as the Postmaster-General is informed, through a letter in Form A. G. P. T.-112 of the issue of the Policy. When the acknowledgment (Form A. G. P. T.-114) is received back, it is filled in the case opened with the intimation of acceptance.

#### **Issue of Duplicate Policy or Contract and Premium or Subscription Receipt Book.**

16. When the issue of a duplicate Policy or Contract is authorised by the Postmaster-General concerned, the duplicate is written out (marked conspicuously as “Duplicate”) from the Policy or Contract Register on the proper form and is issued over the signature of the Gazetted Officer, after it has been checked by the Accountant. Along with this a new Receipt Book when specially asked for is also prepared and issued over the signature of the Accountant. A note is also made against the entry concerned in the Policy Register and initialled by the Gazetted Officer as to the fact of the issue of a duplicate. The Policy along with the Receipt Book is delivered to the party concerned through the Postmaster named by him, on proper acknowledgment and the Postmaster-General is informed of the fact of such issue.

NOTE.—When a Policy or Contract has been damaged and returned to the Audit Office, a fresh Policy or Contract may be issued marked “Duplicate” by the Deputy Accountant General without reference to the Postmaster-General, who is informed of the fact of such issue.



17. When a premium or subscription receipt book has been lost, a duplicate is issued on application by the assured or annuitant and delivered to him (under Form A. G. P. T.-115) through the Postmaster nominated, on payment of a fee of annas eight. The party concerned is informed of the issue of a duplicate book. Books are issued free of cost only with the original Policy or Contract, or in continuation of the original book when it is exhausted or when the loss has been explained to the satisfaction of the Deputy Accountant General to have been due to circumstances beyond the control of the party concerned. In such cases they are sent under Form No. A. G. P. T.-116. Whenever a new book is issued, a certificate is always given on the first page showing up to what month the premium or subscription has been traced in the accounts.

NOTE.—The fee of eight annas in respect of the duplicate receipt book should be credited to the fund.

#### Realisation and Audit of Premiums and Subscriptions.

18. Rule 28 of the Postal Insurance Rules lays down the manner in which the first and subsequent premiums are generally realised. In special cases, the Deputy Accountant General arranges for the payment of premia in cash by the insurants at selected post offices, the authority to the Postmasters being issued in Form No. A. G. P. T.-117.

19. The main object of audit is to see that in respect of every “active” Policy or Contract, which has not been cancelled, surrendered, forfeited or discharged or made paid-up, the monthly premium or subscription has been realised duly and correctly and has been noted properly so that omissions and short payments may be readily detected and that all irregularities discovered are notified to the parties concerned, promptly, so as to give them a chance of rectifying them, and thus protecting the Policies or Contracts from lapse and forfeiture. For this purpose, the premiums and subscriptions paid in respect of each insurant or purchaser are noted in ledger cards (Form No. A. G. P. T.-118) in the case of insurance and in the subscription register (Form No. A. G. P. T.-121) in the case of Monthly Allowance.

20. One card is opened for each active policy with the following particulars noted at the top :—(i) the number and date of the policy, (ii) the name of the assured, (iii) the class of policy, (iv) the amount of premium payable monthly, and (v) the last month up to which the premium is payable. For purposes of posting, each card is provided with vertical columns for the month, item number of the schedule or certified list, amount of premium and remarks. The cards are of uniform size and ruling and each card is designed to record the premiums for two years. They are kept arranged in cabinets according to the entries in the schedule or list in which the credit for the premium on that policy appears. Whenever the policy-holder is transferred from the jurisdiction of one Audit Office to that of another, the respective card is also transferred and placed among the cards of the new Audit Office. As new policies

are issued, the auditor concerned will open new cards for them. At the end of two years when the cards have to be renewed, new cards are opened only for the policies that are in force on the date they are copied.

NOTE 1.—When an assignment or reassignment is registered in the office of the Postmaster General concerned and an intimation thereof is received in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, the particulars of such assignment or reassignment are noted in the relevant ledger card (or if the policy is paid-up, in the Paid-up Register against the entries relating to the Policy). These notes should indicate the Party (insurant or assignee by whom the further premium on the policy is payable and should be attested by the Accountant.

NOTE 2.—When a policy has been assigned under Rule 21 of the General Provident Fund (Central Services) Rules, the fact is noted in the card concerned.

NOTE 3.—When any policy has matured, has been surrendered, cancelled, forfeited or made paid-up, the fact is noted in the remarks column of the card and the card filed with the case concerned.

NOTE 4.—When there has been any change in the rate of premium payable or in its term on the conversion or commutation of a policy, the alteration is noted in red ink below the original entry, with a note as to the month from which the alteration takes effect, and a similar note is made under the month concerned as well.

NOTE 5.—All entries on the cards on the strength of which audit is conducted are initialled by the Accountant concerned. In the case of recopied cards it is sufficient if they are attested by the copyists and the checkers. The Accountant will review them as they come for percentage review of postings.

21. As soon as the lists or schedules are received in the office (*vide* Articles 5 and 6), the items in each list or schedule are numbered serially, the number being noted in red ink against the name of the insurant. If any policy number or any other particulars are found wanting or incorrect, the auditor will supply the omissions and make necessary corrections with reference to the previous month's list or schedule. Then the list or schedule and the cards belonging to the Department to which the list or schedule belongs are made over to a sorter, who should arrange the cards according to the entries in the list or schedule. The cards which are not found in this bundle should be traced from the bundle relating to cash credits in the same Circle or from any other cabinet by reference to Index Cards (Form No. A. G. P. T.-119) and all the cards required for posting the items in the schedule should be supplied by the sorter.

22. The list or schedule with the cards as arranged by the sorter should then be passed on to the machinist for posting. The machinist will so arrange the totaliser on the machine that the total of all the amounts posted in the column "premium realised" will be accumulated in it. In posting, he will enter the item number in the second column against the month concerned and the amount of premium in the money column of the card. Before fixing the card on the machine, he should take particular care to see that the Policy number and the Premium amount noted at the top of the card agree with the number and amount of the item to be posted. In case any cards are not found, the machinist will post the items in Form No. A. G. P. T.-120 which should be kept stitched to the list or schedule. After all the items in a particular list or schedule have been posted, the total arrived at on the totaliser should be equal to the grand total of the list or schedule. To facilitate the agreement, the machinist should

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month are posted in the column for the month in which the amounts have been realised. After the postings for a month have been completed, the columns are totalled and made to agree with the schedule total of subscriptions realised.

25. On completion of audit, the auditor should take up the cards of his Circle of audit, which have been left unposted for want of credits in the list or schedule and should issue notices. Below is given a list of the common irregularities, with instructions as to how they are noticed and set right :—

- (i) *Credit not traced*, in which case reference is made to the life assured in Form A. G. P. T.-123 or 124 and to the Audit Officer in Form A. G. P. T.-122.
- (ii) *Double credits traced, one in the cash list, and the other in the schedule of deductions*, in which case a reference is made to the party concerned, and when the double credit has been established on reference to the Audit Officer, he is requested not to make any deduction from the pay or allowances of the subsequent month in Form A. G. P. T.-129, a copy of the intimation being sent to the party as well.
- (iii) *Excess credit*, in which case the Audit Officer is asked to make a corresponding short deduction from subsequent month's pay or allowances in Form A. G. P. T.-130, but if a set off is not possible, a refund order is issued after verifying that there has been no short credit in any previous month, in Form A. G. P. T.-131.
- (iv) *Short credit of premium or subscription*, in which case notice is issued in Form A. G. P. T.-130 *mutatis mutandis*.
- (v) *Late credit*, in which case a notice is issued in Form No. A. G. P. T.-125.
- (vi) *Payment at a sub-office credited in the Head Office account after the due date*, in which case reference is first made to the receiving Postmaster in Form A. G. P. T.-132.
- (vii) *Credit traced after the payment of premiums or subscriptions has ceased*, which is noticed in the same way as an excess credit. This is refunded in Form A. G. P. T.-131 issued over the signature of the Gazetted Officer, when the excess credit has been established from the accounts.
- (viii) *Credit traced in excess in the account of a deceased insurant*, which is brought to the notice of the Postmaster-General (under whose orders the payment of the policy was made) for arranging the payment to the legal heirs. The amount should be noted in the

card and also in the Refund Register (*vide* Article 32), the latter being initialled by the Gazetted Officer.

NOTE 1.—Deleted.

NOTE 2 —In noticing non-credit, late credit and short credit (except when the short credit is for a comparatively trifling amount), the parties concerned are also informed that their policies or contracts have lapsed if there has been actually non-credit, late credit or short credit.

In the case of an assigned Postal Insurance policy, when it is in danger of lapsing, an intimation in Form A. G. P. T-125A will be sent by the Deputy Accountant General, Posts and Telegraphs, Calcutta, to the Head of the Circle through whom the insurance was effected and on receipt of this intimation the Head of the Circle concerned should issue a notice to all persons interested in the policy including the assignee.

### Review of Ledger Cards.

25-A. At the end of every two years when all the postings in a set of ledger cards have been completed, the reviewers will take up the review of these cards.

The main object in having the postings of premia in the ledger cards reviewed by a set of senior auditor is to see that a Policy is continuously active and that all defects and irregularities which may adversely affect the admissibility of final payments are duly settled.

The duties of reviewers are the following .—

- (1) To periodically check the current ledger cards of each Circle with the active policy register with a view to see that there is a card for every active Policy and that absence, if any, is satisfactorily explained.
- (2) To see that the old ledger cards are arranged serially according to Circles and that the particulars at the top of the cards are legibly written up. In the case of assignments they should see that proper notes regarding the person who is to pay the premium have been made in the card.
- (3) To see that the premiums due on Policies have been correctly and fully paid each month by the due date, that lapses due to non-payments and late payments and other irregularities which might have escaped the notice of the assistant auditors at the time of audit are promptly noticed with a view to regularising the defects.
- (4) In cases where interest at 8 per cent. is levied as a penalty to verify the correctness of the amount recovered by independent calculation.
- (5) In the case of conversions, commutations, etc., to see that the requirements of Notes 4 and 5 to Article 20 are complied with and that short/excess realisations arising out of such changes are subsequently adjusted.

- (6) To enter in the cards the results of review under dated initials of the reviewers and to maintain in a register for each Circle for noting all irregularities detected in the course of applying the above checks and to notice irregularities detected including excess/short realisation of Re. 1 and above.
- (7) To maintain a daily progress report showing :—
- (a) the particulars of the Circle or department the cards of which are under review, and
  - (b) the number of cards reviewed daily

### Lapses and Forfeitures.

26. The circumstances under which a policy or contract may become void or be forfeited and the terms on which they can be renewed are laid down in Rules 39 and 40 of the Postal Insurance Rules. When the provisions of Rule 39 or 40 for the renewal of lapsed policies or contracts are complied with, then in the case of lapse under Rule 39 the Postmaster-General concerned is addressed in Form A. G. P. T.-134 with a view to the renewal of the policy or contract and the latter communicates his orders direct to the party concerned sending a copy thereof to the Deputy Accountant General for his information ; while in the case of lapse under Rule 40 a formal renewal notice is issued to the party concerned in Form A. G. P. T.-135 by the Deputy Accountant General.

NOTE 1.—The benefit of 7 days referred to in Note 4 to Rule 28 of the Postal Insurance Rules, should be allowed in consultation with the Audit Officer concerned.

NOTE 2.—As the Postmaster may not always be in a position to satisfy himself about the 7 days' limit he may accept the premium with the fine which is refundable if the benefit of 7 days is allowed.

27. When a policy or contract has been forfeited to Government under the operation of Rule 39 or 40 of the Postal Insurance Rules, the life assured is informed in Form A. G. P. T.-136 and also asked to return the policy or contract if it be of less than three years' standing. A copy of the intimation is also sent to the Postmaster-General concerned for his information, and a copy to the Audit Officer with the request that he should not make any further deduction of premium or subscription. At the same time, the fact of forfeiture is noted against the entry concerned in the Policy or Contract Register, in the Ledger Card or subscription Register concerned, and in a special Register in Form A. G. P. T.-137, all under the initials of the Gazetted Officer.

NOTE 1.—In fixing "the first day of the month for which the premium is due" which is made the basis for "periods at the end of which a policy is forfeited to Government under Rule 39 or 40" the following rule should be observed: "All payments made should be attributed to the demands due, in the order of these demands. Thus if the premium due on a policy in a month is not paid within the month, the premium paid next to the default should be taken as the premium paid for the month of default, e.g., if the premium payable in March on a policy is not paid by the 21st of March, but the premium payable in April and subsequent months are regularly paid by the due dates, the premium for March should be taken as that payable in March, and so on. The same procedure should be followed in the case of subscriptions on Deferred Monthly Allowance Contracts."

NOTE 2.—So long as a short credit (except for a comparatively trifling amount) has not been made good by excess credit from any subsequent instalment or by payment in cash, the deficiency should be taken as adjusted from the subsequent instalment and the case is to be treated as one of *late* payment of premium.

NOTE 3.—As soon as a policy of more than three years' duration is forfeited, a definite offer of the surrender value or of \_\_\_\_\_ should be made to the policy-holder. This would give an opportunity to the \_\_\_\_\_ is then be in good health to revive his policy on production of a medical certificate and would also clear the books of the Fund of outstanding liabilities.

22. When a policy has been forfeited under Rule 39, and if the policy is of *less than one year's standing*, the assured renders himself liable to pay the sum of Rs. 4 for his medical examination as well as to refund any travelling allowance granted for his medical examination ; when a policy or contract has been forfeited under Rule 40, the assured or annuitant can get the surrender value of his policy or contract, subject to the condition that the surrender value is to be calculated up to the month of forfeiture, and from the value so calculated is to be deducted 12 months' premium with the interest thereon at 8 per cent.

NOTE.—The Deputy Accountant General, Posts and Telegraphs, Calcutta, exercises the power to waive recovery, in exceptional cases of the amount of medical fee due under the Note below Rule 14 of the Postal Insurance Rules, from a proposer or an insurant, and to write off the amounts of such medical fees

### Cancellation of Policies and Contracts.

29. At any time a policy or contract can be cancelled at the option of the holder, subject to the condition that if the policy is of less than one year's standing the life assured renders himself liable to refund the fee of Rs. 4 incurred for his medical examination as well as of any travelling allowance granted. The fact of cancellation is noted in the Policy or Contract Register and in the Ledger Card or Subscription Register concerned as well as in the special register in Form A. G. P. T.-137 under the initials of the Gazetted Officer and the fact is intimated to the Postmaster-General concerned in Form A. G. P. T.-136 and the Audit Officer is asked to discontinue deduction of premiums or subscriptions.

### Audit of Fines and recovery of Medical Fees.

30. All recoveries of medical examination fees are noted in a special register in Form A. G. P. T.-108. After the credits have been traced, they are posted in this register against the items concerned in addition to the entries made in the Card or Subscription Register (*vide* Note 6 to Article 22). This register is submitted to the Gazetted Officer for review on the 25th of each month. All recoveries of fines imposed are watched through the entries in the cards and the cases concerned.

### Paid-up Policies.

31. The particulars of all limited payment policies, the premiums on which have been completed and all policies which have been made paid-up by payment of all future payments in lump, should be entered in a separate

register in Form No. A. G. P. T.-138 called "The Paid-up Policy Register", each entry therein being attested by an Accountant. Necessary note should be kept in the file and the card concerned, the card being filed with the case. This register should be submitted to the Gazetted Officer with suitable remarks whenever claims arise in respect of the policies noted in this register.

### Refunds and Audit of Refunds.

32. When any excess credit of premium or subscription cannot be set off against any future instalment, the amount is refunded in cash under the orders of the Gazetted Officer and communicated in Form A. G. P. T.-131, a copy of the order being sent to the Post Office selected. The amount is noted in the Card or the Subscription Register against the item concerned as well as in a Refund Register in Form A. G. P. T.-139, the latter under the initials of the Gazetted Officer. When the amount has been refunded, it is charged in the schedule of payments which is sent to the Deputy Accountant General monthly and is supported by the payee's acquittance on the reverse of the Refund Order and the refund advice to the Postmaster. Audit is conducted with reference to the entry in the Refund Register in which the date of payment is noted against the item concerned.

NOTE.—See Note below clause (1) of Article 517, Posts and Telegraphs Initial Account Code, Volume I

### Discontinuance or Reduction of Premiums and Commutations, Conversions of Policies and Surrender of Policies and Contracts.

33. Under the Postal Insurance Rules, the life assured is allowed to discontinue payment of his monthly premium, reduce the premium to any desired extent, surrender his policy or contract, or commute or convert his policy. The following general principles should be observed in dealing with such cases:—

- (i) When premiums are discontinued in respect of policies of less than a year's standing, he renders himself liable to pay the medical examination fee and the travelling allowance, if drawn.
- (ii) When premiums are discontinued in respect of policies of not less than one year's standing, but of less than three years' standing, nothing is paid to or recovered from him.
- (iii) When premiums are discontinued after a period of not less than three years, a reduced paid-up policy may be issued if desired, provided that the amount of such a policy is not less than Rs. 100.

NOTE.—If the policy has been issued prior to 23rd November 1922, it can be converted into a reduced paid-up policy for an amount not less than Rs. 50.

- (iv) If the policy or contract is of not less than three years' standing, surrender value is granted, which, in the case of a Monthly Allowance Contract, is restricted to 95 per cent. of its present value and is subject to the production, at the expense of the annuitant, of a medical certificate of an average prospect of life.



(v) The maturity of a policy can be altered only after an integral number of years' premiums have been paid, and subject to the production of a medical certificate, at the expense of the assured, as to his average prospect of life, when the maturity is postponed beyond the original age, or when the proposed conversion entails greater risk on the Fund.

(vi) Conversion or commutation of a policy into an Endowment Assurance one, payable at the ages of 45, 50 and 55 only, is admissible.

NOTE 1.—The terms of all conversions, commutations and surrender values of policies may be ascertained from the Deputy Accountant General, Posts and Telegraphs, Calcutta.

NOTE 2.—The method of calculations is given in Appendix A and is not intended for publication.

34. The formal application for surrender value, accompanied by the Policy, or Contract and the premium or subscription receipt books and bonus certificates, if any, is made to the Postmaster-General, who will forward the application to the Deputy Accountant General. On receipt, the calculations will be made in Form No. A. G. P. T.-140 as on the date of application and an intimation of the surrender value in Form No. A. G. P. T.-141 signed by the Gazetted Officer sent to the Postmaster-General for his sanction. The necessary intimation to the Audit Officer under Rule 35 of the Postal Insurance Rules will be issued in Form No. A. G. P. T.-142.

NOTE 1.—All applications for surrender values received from the Postmaster-General are entered in a Register in Form A. G. P. T.-149. The issue of the certificate as well as the number and date of the sanction of the Postmaster-General when received are noted in the proper columns of the Register. A note is also made in the Card or Subscription Register concerned. The sanction of the Postmaster General and the Registers or Cards will be submitted to the Gazetted Officer who will initial the entries in the Registers or Cards and pass record order on the sanction. The Register of application for surrender value (Form No. A. G. P. T.-149) will be closed and submitted to the Accountant weekly and to the Gazetted Officer for review on the 10th of the following month with an analysis of outstandings and reasons for delay in disposal.

NOTE 2.—In the case of an insured who applies for the surrender value of the policy, but dies before taking payment thereof, the full value of the policy may be paid to the legal heir, or the assignee, as the policy should be regarded as active so long the payment of the surrender value has not been effected.

35. In the case of commutations or conversions of policies, a declaration in Form No. A. G. P. T.-144 is sent to the Deputy Accountant General duly signed, along with the original policy and the premium receipt book. On receipt of the declaration, the calculations are revised as on the date of declaration and the orders of the Gazetted Officer are taken on Form No. A. G. P. T.-145 for the issue of the new policy.

36. The new policy is issued under the *Original number* on a *fresh* form. The policy is dated with the date of effect of the alteration, the original date of entry being noted in red ink below this date. The "Attained age" with reference to which the calculations have been made is entered under "Age of entry", and the entries in the Policy Register under the item concerned are altered accordingly under the initials of the Gazetted Officer with a note of the date of effect in the remarks column. To work out the financial effect of the

alteration on the accumulated figures, it is also entered under the initials of the Gazetted Officer in a Register in Form No. A. G. P. T.-146. The original Policy is cancelled with the remarks "Cancelled by commutation and conversion and filed with the declaration in the case" and the entry in the card is also corrected. The new policy along with a fresh premium receipt book, when premiums are still payable, is issued over the signature of the Gazetted Officer. The policy is despatched in the manner prescribed in Article 15. The usual intimation to the Audit Officer and the immediate superior is also prepared and despatched at the same time.

37. The Postmaster-General's sanction to the payment of the surrender value, on being received, is entered in the Surrender Value Register in Form No. A. G. P. T.-149 under the initials of the Gazetted Officer. When the surrender value has been paid, necessary note is made in the Policy or Contract Register as well as in the Surrender Value Register, all under the initials of the Gazetted Officer. To facilitate the identification of items, the serial numbers thereof as given in the Policy or Contract Register are cited in the Surrender Value Register. Entry in the two sets of Registers is made only when the payment has been taken, as the Policy or Contract holder has the full discretion of changing his mind to revive his policy meanwhile, on payment of arrear premiums with fines due.

#### Maturity of Policies and Contracts.

38. When a policy matures either by death or on the attainment of the specified age, an application for payment is made to the Postmaster-General concerned with the policy, bonus certificates, if any, and premium receipt book. On the requisition of the Postmaster-General, a certificate in Form No. A. G. P. T.-148 is issued by the Deputy Accountant General. On receipt of the necessary intimation from the Postmaster-General which is to be recorded in the death completion Register (Form No. A. G. P. T.-149), the Ledger Cards are consulted to see if any premium is due and if there is any lapse under rule 39 of the Postal Insurance Rules not revived. In the latter case no claim is entertained. If there has been no such lapse but the premium has not been paid, the amount is noted in the certificate to the Postmaster-General as recoverable from the value of the policy. The calculations will be worked out in Form No. A. G. P. T.-149 A, and, after they have been checked by the Accountant, the form should be placed before the Gazetted Officer for signature. Necessary entries are made in the Card but not in the Policy Register until and unless the payment has been taken. The Death/Completion Register (Form No. A. G. P. T.-149) will be closed and submitted to the Accountant weekly and to the Gazetted Officer for review on the 10th of the following month with an analysis of outstandings and reasons for delay in disposal.

NOTE 1.—When application is made to the Postmaster-General for payment of the value of a policy without the production of the policy, the Postmaster-General's order of payment is issued only after obtaining an Indemnity Bond duly executed.

NOTE 2.—If the records show that the policy has been assigned to any person, the fact is noted on the certificate.

NOTE 3.—When a policy has been assigned to the Secretary of State under Rule 21 of the General Provident Fund (Central Services) Rules, reassignment is not required before payment of the sum assured to the legal representatives of the deceased.

NOTE 4.—In stating the value of the policy, the bonus additions should be taken into account.

NOTE 5.—If no intimation has been received from the Postmaster-General, but intimation has been received direct from a claimant of the value of a policy, the Postmaster-General is addressed, as a certificate is issued only at his request.

NOTE 6.—A policy holds good even in the event of the assured losing his life on Field Service though the payment is to be made through an Indian Post Office.

NOTE 7.—Rule 39 or 40 of the Postal Insurance Rules does not operate when death happens on or before the 21st of the month with the premium left unpaid.

NOTE 8.—When the insurant dies on the first day of any month, the premium for that month is not recovered and if it has already been recovered it is refunded to the legal heirs of the deceased along with the value of the policy.

NOTE 9.—Short recoveries or excess credit of premia on account of elimination of pies amounting to less than a rupee may be neglected in the case of final payments but if there is any amount due to the party owing to the premia having been recovered in excess beyond the stipulated period or due from the party owing to the premia not having been recovered up to the stipulated period, the short recoveries or excess credits should be adjusted when the final payment is made.

39. Before the first monthly allowance becomes payable to the purchaser, he is to intimate to the Deputy Accountant General the name of the Post Office at which he desires to receive the allowance. On receipt of this intimation, the Monthly Allowance Register as well as the Subscription Register mentioned in Article 24 is consulted. If all subscriptions due have been paid and if there has been no lapse unrevived, the necessary authority is issued to the Postmaster named, for the payment of the allowance, on production by the purchaser of a life certificate in the prescribed form and on proper identification.

40. The authority already issued along with the contract in the case of immediate monthly allowance will hold good only so long as the purchaser is alive. When the annuitant has changed his residence, the original authority is redirected to the new office by the first office, if so desired by the party.

The payment of the allowance is watched through the Register in Form A. G. P. T.-151.

NOTE 1.—When a purchaser of a Monthly Allowance Contract has left India, the amount may be paid to his authorised agent at an Indian Post Office nominated by him, subject to the production each month of a life certificate signed by a Justice of the Peace, Minister, Church Warden or legally qualified Medical Officer. If the agent is a banker who has furnished a bond of indemnity as security against any loss in case of overpayments, the life certificate need not be insisted on.

NOTE 2.—The full amount of the allowance for the month in which the purchaser dies is paid to his heirs.

### Audit of Payments.

41. The payment in respect of policies and contracts by a Post Office are accounted for each month in two schedules, one for the period from 1st to 10th

and the other for the rest of the month. The schedules along with the vouchers duly receipted and complete in form are forwarded each month to the Deputy Accountant General by the Postal Audit Offices concerned. In the case of policies, the payment is audited with reference to the sanction recorded on the policies concerned, and entered in the Register of Policies discharged, in surrendered, in Form A. G. P. T.-150 as well as in the Policy Register (Form A. G. P. T.-110) against the items concerned under the initials of the Gazetted Officer. The attestation of the paid vouchers by the Gazetted Officer will be completed by the end of the fourth month following and the payment registers will be closed and submitted to the Gazetted Officer for review on the 15th of the 5th month following the month of account. In the case of refunds, the payments are audited with reference to the refund orders, and are noted against the items concerned in the Register of Refunds, *vide* Article 32. In the case of medical fees paid, they are audited with reference to the sanctions of the Heads of Circles received with the paid vouchers and the total amount paid is posted directly into the Broadsheet of charges (Form No. A. G. P. T.-160) for each circle while payments of monthly allowances are audited through the Register referred to in Article 40.

NOTE 1 —All payments must be supported by vouchers duly signed and stamped, if necessary. These vouchers should be carefully checked according to the instructions contained in Article 131 of the Audit Code.

NOTE 2 —When any deduction on account of arrear premium due or fine unrealised is made from the value certified under Article 38, the gross amount is charged in the payment register with per contra credit to premium or fine, as the case may be.

NOTE 3 —The travelling allowance for medical examination, should be charged to the head "XIX—Posts and Telegraphs" and not to the Post Office Insurance Fund. A register in Form No. A. G. P. T.-107 is maintained in the Postal Life Insurance Section to record all payments in connection with the travelling allowance. This register is submitted to the Gazetted Officer for review on the 25th of the third month following the month of account.

### Account Reconciliation.

#### *Receipts.*

42. (a) As soon as all the items in a list or schedule are posted, the totals of the amounts posted and accumulated on the totaliser will be found to agree with the total of the list or schedule. If, for any special reason, any item could not be posted for want of the proper card, it is posted in a separate list of "unadjusted items". The total of the list or schedule, the totals of the amounts posted, and the total amount of unposted items, if any, will be typed by the machinist in the monthly reconciliation statement of Postal Life Insurance receipts (Form No. A. G. P. T.-120) and the details of the unposted items will be shown on the reverse of the form. The entries made on both sides of the Form should be attested by the machinist under his dated initials.

(b) The monthly reconciliation statement should be stitched to the list or schedule to which it relates. The auditor concerned must copy all the items which have not been posted by the machinist in a separate part (Part I) of

the Register in Form No. A.G.P.T.-154 and take prompt action for settling the items noting the number and date of reference in the remarks column of the Register. The items which remain unsettled for over six months should be transferred to Part II of the Register with the remark "For [previous correspondence see item . . . of Part I". Further correspondence should be pursued and noted in Part II.

When an item is settled, the auditor should post and attest the posting in the card and strike out the entry in the relevant part of the Register under his dated initials duly noting against that entry the number of the policy and the month in which it is posted.

The Register of items remaining unposted (Form No. A.G.P.T.-154) should be reviewed by the Accountant and submitted to the Gazetted Officer for review on the 15th of each month.

(c) The auditor should classify the figures under the heads "(i) Life Insurance, During Life and Fixed, (ii) Endowment Assurance, (iii) Monthly Allowances, (iv) Medical Fees and (v) Fines. The total of the amounts under the various heads must agree with the total of the list or schedule as verified by the machinist.

(d) The list or schedule, with the monthly reconciliation statement, should then be made over to the accounts group for purposes of posting the Registers maintained in that group and effecting the agreement with the credits intimated by the Book Section of the office of the Accountants General, Posts and Telegraphs. At the end of the year, the totals of all the schedules or lists should be compiled and verified with the figures of the General Book and suitable explanations should be given of all items remaining unposted at the end of the year and the explanation sheet should be attached to the annual reconciliation statement for the information of the Gazetted Officer.

43. The difference between the consolidated total of premiums as arrived at in the Broadsheet of premiums realised (Form A. G. P. T.-155) and the total in the detail books is explained in Form A. G. P. T.-156. The Broadsheet is submitted to the Gazetted Officer on the last day of the fourth month following the month of account.

#### *Payments.*

44. As regards payments, the totals of the several registers mentioned in Article 41 are similarly consolidated and reconciled with the detail book figures through Form A. G. P. T.-160. The Broadsheet of charges is submitted to the Gazetted Officer on the last day of the 4th month following the month of account. At the end of the year the totals of all the schedules or lists should be compiled and verified with the figures of the General Book. The several account heads are as under :—

- (i) Medical Fees paid, (ii) Refunds of medical fees, (iii) Life Insurance Policies paid, (iv) Surrender value of Life Insurance Policies,

(v) Life Insurance premia refunded, (vi) Endowment Assurance Policies paid, (vii) Surrender value of Endowment Assurance Policies, (viii) Endowment Assurance premia refunded, (ix) Monthly Allowance paid, (x) Surrender Value of Monthly Allowance and (xi) Monthly Allowance subscription refunded.

#### Interest Calculations and Annual Adjustments.

45. Interest is allowed on the balance at credit of the Post Office Insurance Fund at the rate of  $3\frac{1}{2}$  per cent. per annum on the balance on the last day of each month.

46. The interest-bearing balance is worked out in a register in Form No. A. G. P. T.-162 as follows :—

The total receipts of a month as realised by deduction from the pay and allowances and as paid in cash into the Post Offices, and the total charges for that month are posted in the register (Form No. A. G. P. T.-162). The net balance is then worked out and added to the opening balance of the month. On this total amount which represents the interest-bearing balance for the month, interest is calculated.

When the interest register (Form No. A. G. P. T.-162) is completed for a month, the totals of receipts and payments for the month are agreed with the corresponding figures in the Broadsheets (Forms No. A. G. P. T.-155 and No. A. G. P. T.-160) and the register is submitted to the Gazetted Officer on the last day of the 4th month following the month of account. At the end of the year, the progressive total of interest for the year is passed on to the credit of the Fund by debit to the head '22-Interest on debt and other obligations—Interest on Postal Insurance and Life Annuity Fund.'

NOTE 1.—The interest is calculated separately for the three branches of the Fund.

NOTE 2.—Medical fees paid are distributed between Life Insurance and Endowment Assurance in the proportion which the total number of policies issued under Life Insurance bears to the total number under Endowment Assurance in the year.

47. The cost of working and administration of the Fund and the cost of accounting and auditing should also be worked out and adjusted in the manner described in Chapter 6 of the Posts and Telegraphs Account Code.

#### Preparation of Statistical and Financial Returns for the Director-General.

48. To enable the Director-General to include in the annual Administration Report information about the operations of the Post Office Insurance Fund the following statistical and financial returns are prepared and furnished to the Central Office to reach by the 25th of August, each year for transmission to him with the Comments of the Accountant General on the general position of the Fund on or before the 31st August.

Statement A-I	..	Showing the operation of the scheme of
(Form A. G. P. T.-163)		Life Insurance and Endowment Assurance during the year under review as compared with the previous year.

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Statement A-II (Form A. G. P. T.-164)	..	Showing the operation of the scheme of Monthly Allowance during the year as compared with the previous year.
Statement B (Form A. G. P. T.-165)	..	Abstract of Life Insurance and Endowment Assurance Policies and Monthly Allowance Contracts issued, discharged, lapsed and surrendered during the year.
Statement C-I (Form A. G. P.T.-166)	..	Financial result of the Life Insurance Section.
Statement C-II	..	Financial result of the Endowment Assurance Section
Statement C-III	..	Financial result of the Monthly Allowance Section.
Statement D-I		Showing the number of policies in the Indian Posts and Telegraphs Department only, which have been discharged or closed during the official year and which are active on the 31st March.
Statement D-II	..	Showing the outstanding liabilities of the Fund on the Policies which have become claims but have not been paid during the financial year.
Statement D-III	.	Showing the number of annuities purchased during the year under Article 807, Civil Service Regulations.

NOTE.—Copies of statements C-I, C-II and C-III are also sent to the Actuary to the Government of India along with the valuation statements mentioned in Article 56.

49. Statement A-I is prepared separately for each of the several Departments from the Policy Register, Broadsheet of Premia realised, and Broadsheet of charges, and shows the following details :—

- (a) Number of lives assured.
- (b) Amount insured.
- (c) Amount received as premia including fines and medical fees.
- (d) Amount of claims met separately under Life Insurance (whole life) and Life Insurance (Limited period) and also under Endowment Assurance heads ; a grand total is given at the end. The cost of establishment and stationery is also shown here.

The total under each sub-head is compared with the totals of the previous year's statement and the difference is shown under increase or decrease, as the case may be.

A comparison is also made of the number of lives assured under the head " Asiatic " and " Non-Asiatic ".

50. Statement A-II is prepared separately for each Department from the Register of Contracts issued, Register of Subscriptions realised and Broad-sheet of charges and includes the following details :—

- (a) Number of subscribers.
- (b) Amount of monthly allowance secured.
- (c) Amount of subscription realised.
- (d) Claims met and cost of establishment, stationery and printing.

The details are shown separately for immediate and deferred monthly allowances and the grand total is struck at the end. The total under each sub-head is compared with the total of the last year's statement, the difference being shown under increase or decrease. The number of subscribers under "immediate" and "deferred" is also compared with the number shown in the previous year's statement under the heads "Asiatic" and "Non-Asiatic".

51. Statement B is compiled from the Issue Register and also from the Lapse, Surrender and Payment Registers.

It shows the following details :—

Balance of the previous year.

Issue during the year.

Discharge during the year  $\frac{\text{by death}}{\text{by maturity}}$ .

Balance at the close of the year.

The number and amount under Life Insurance, Endowment Assurance and Monthly Allowance Contracts are shown separately. The number and amount of lapse, cancellation, surrender and payment of policies are also shown separately. The amount of bonus paid is also shown separately under payment of policies.

52. Statement C-I (Life Insurance) is prepared from the Broad-sheet of Premia Realised, Broad-sheet of Charges and Interest Register, and shows the following details :—

*Receipts.*

Balance on 1st April.

Premia realised during the year.

Fines realised during the year.

Medical fees realised during the year.



*Total Receipts.**Payments.*

Life Insurance Policies paid.

Surrender value paid.

Medical fees paid.

Refund.

Refund of Medical Fees.

Postal establishment including printing, etc.

*Total Payments.*

Interest on balance.

Balance on 31st March.

Deduct	Reserve value of converted policies.
Add	

Statement C-II (Endowment Assurance) is prepared in the same way as C-I.

53. Statement C-III (Monthly Allowance) is prepared from the Broad-sheet of Subscriptions, Broadsheet of Charges, and Interest Register and shows the following details :—

*Receipts—*

Balance on 1st April.

Subscriptions realised during the year.

Amount paid in lump for purchase of immediate Monthly Allowance.

Fines realised during the year.

*Total.**Payments—*

Allowance paid.

Surrender value paid.

Refund of subscription.

Postal establishment including printing, etc.

*Total.*

Interest on balance.

Balance on 31st March.

54. Statements D-I, D-II and D-III are compiled from the several registers of policies paid, surrendered, lapsed and cancelled, after classifying them according to the Departments to which the insureds belong.

55. A statement showing the particulars of policies converted during the month from one class to another with copies of the memoranda of calculation, is sent monthly to the Actuary to the Government of India for the calculation of reserve value.

#### Actuarial Valuation of the Fund.

56. To enable the Government Actuary to conduct the periodical Valuation and Mortality Investigation of the Fund, the following statements for each quinquennium are prepared and furnished to him after the close of the accounts for each year of the quinquennium :—

- (a) Summary of policies showing the variations and the number and sum assured exposed to risk at each attained age in the year ending 31st March.
- (b) Consolidated statement showing the number and sum assured exposed to risk at each attained age on the 31st March and the number and sum assured of policies under claims by death, extracted from statement No. A-I.
- (c) Statement showing the particulars of monthly allowance contracts as they stand on the 31st March of the year.
- (d) Copies of annual statements C-I, C-II and C-III (*vide* Note to Article 48).

To avoid delay at the end of the quinquennium it is essential that the statements for each year should be prepared and submitted to the Actuary as soon as possible after the close of the accounts for the year.

NOTE.—The following two additional statements are sent to the Actuary at the end of the quinquennium .—

- (1) Particulars of policies which became claims either by death or survivance since the establishment of the Fund down to 31st March ending the quinquennium but which will remain unpaid on that date.
- (2) Particulars of policies forfeited, under Rule 40 of the Postal Insurance Rules, since the establishment of the Fund, the surrender values of which have not been claimed and paid during the period

57. The statement referred to in clause (a) of Article 56 shows the number of policies at the beginning of the year, the additions and deductions during the year, and the number of policies which became claims by death. There is a special column "Policies exposed to risk" showing the number and sum assured, each of the sub-columns "number" and "sum assured" being filled up by adding half the number and sum of assured policies issued, to the balance of the previous year and deducting therefrom half the number and sum assured of policies discharged except by death. The statement required to be sent to the Actuary is prepared from the particulars of the Primary and Secondary Statements. The various processes leading up to the final statements are given in Articles 58 to 61

58. Valuation cards in Form No. A G. P. T.-170, one for each policy, bearing necessary important particulars are prepared by the issue group while  
MIP&T

issuing policies. They are collected together for each official year in the valuation group

59. These cards are first sorted according to the serial numbers of the policies and any missing card should at once be supplied by the valuation group. These are again arranged according to the different maturing ages, *viz*, Endowment Assurance 45 to 55, Whole Life, Whole Life Limited Payments 50 and 55.

60. The cards so arranged are then re-sorted according to the valuation years of birth and entered in that order in the primary statements of policies issued, in which the following particulars are given :—

- (a) The number of the policy
- (b) The monthly premium.
- (c) Amount of sum assured.

The totals of amounts under heads (b) and (c) are then struck.

61 To prepare the Primary Statements of policies discharged, the valuation cards relating to policies that have matured, been surrendered, cancelled or forfeited, are picked out from the sorted bundles of previous years. The necessary entries in respect of date and mode of exit (V Y. O. B.) and quinquennial bonuses of each of the policies are then noted in the valuation cards. The Primary Statement of policies discharged showing the particulars of discharge, *viz.*, by death, maturity, surrender, conversion or lapse to Government, is then prepared with the help of the sorted cards.

62. From the total of the Primary Statements of the policies issued, are prepared the Secondary Statements of active policies called " Addition Statements " in which are recorded in total numbers, the particulars of policies issued during the year, the policies affected by conversion and also the policies which have been revived during the year.

63. The Secondary Statements of discharged policies called " the Deduction Statements " are similarly prepared from the totals of the Primary Statements of discharged policies under different heads, *viz.*, maturity, surrender, forfeiture, conversion, etc.

64. The particulars of policies in force at the beginning of the year, the additions and deductions during the year as per Addition and Deduction Statements and the policies which became claims by death and the balances thus arrived at the end of the year, are then entered in the final statements. The column " policies exposed to risk " is then filled up from the entries in the previous columns.

65. On receipt of the report of the Actuary regarding the valuation of the Fund at the end of the quinquennium, the Governor General in Council will issue orders sanctioning the rates of bonus and *interim* bonus, if any, for each branch of the Fund. The rates of bonuses sanctioned from time to time are given in Article 66. As soon as orders of the Governor General in Council are

received, the bonus due on each policy is calculated and intimated under the signature of the Gazetted Officer to the party concerned under a printed letter (Form A. G. P. T.-171) on receipt of a requisition from him. The sheet on which the calculations are made with the initials of the auditor and Accountant who checked the calculations will be filed in the personal case of the insurant.

66. The bonus rates sanctioned from time to time are :—

- (i) 1907.—10 per cent. on the face value of a Life Insurance policy issued prior to 1st April 1907 or after that date but at the rate of premium in force prior to it
- (ii) 1912.—2 per cent. per annum on the sum assured, in the case of Life Insurance and 1 per cent in the case of Endowment Assurance, in respect of each month's premium paid since 31st March 1907 to 31st March 1912
- (iii) *Interim* bonus at half the rates referred to in clause (ii) was allowed in respect of each month's premium paid since 31st March 1912 in the case of policies which become claims either by death or survival between 1st April 1912 and 31st March 1917, provided that the premiums have been paid for at least 5 years and up to the date of death or survival.
- (iv) 1917.—1½ per cent per annum on the sum assured in the case of Life Insurance and 1 per cent in the case of Endowment Assurance for each full year the respective policies were in force between 1st April 1912 and 31st March 1917
- (v) *Interim* bonus at two-thirds of the above rates was allowed in the case of Whole Life and Endowment Assurance policies which become claims by death between 1st April 1917 and 31st March 1922 for each full year they were in force during that period. An *interim* bonus at one per cent was allowed in the case of Endowment Assurance policies which become claims by survival between 1st April 1917 and 31st March 1922 for each full year they were in force during that period
- (vi) 1922.—1-1/5 per cent. per annum on the sum assured, in the case of Life Insurance and 4/5 per cent. per annum in the case of Endowment Assurance for each full year the respective policies were in force between 1st April 1917 and 31st March 1922.
- (vii) *Interim* bonus at three-fourths of the above rates was allowed in the case of Life Insurance and Endowment Assurance policies which become claims by death or survival between 1st April 1922 and 31st March 1927.
- (viii) 1927.—12 per cent per month on the sum assured in the case of Whole Life Assurances or for limited period, or for which no further premia are payable and .08 per cent. per month in the

case of Endowment Assurances, in respect of each full month during which the respective policies were in force between 1st April 1922 and 31st March 1927.

- (ix) *Interim* bonus at three-fourths of the rates mentioned in clause (viii) is allowed in the case of Life Insurance and Endowment Assurance Policies which become claims by death or survivorship between 1st April 1927 and 31st March 1932.
- (x) Policies surrendered between 1st April 1927 and 17th December 1928 will be allowed to share in the bonus, the surrender value of which will be the cash surrender value of the reversionary bonus calculated at  $\frac{2}{3}$ th of the full rate of bonus stated in clause (viii) above, for such portion of the period from 1st April 1922 to 17th December 1928 as they were in force.

For Policy holders who surrendered or may surrender their policies between the 17th December 1928 and the 31st March 1932, the bonus will be the cash surrender value of the bonus at the interim rate declared in Resolution No. 7 P. O., dated the 17th December 1928, as applicable to claims maturing between 1st April 1927 and 31st March 1932 in addition to the cash surrender value of the bonus admissible under clause (viii) above.

NOTE.—In calculating the bonus, all fractions of a rupee should be omitted, while under Life Assurances effected under the old rates, the sum assured is to be taken as the face value of the policy *plus* the 10 per cent bonus added in 1907.

### Preparation of Financial and Statistical Statements for the Actuary to the Government of India.

67. Under the Indian Life Insurance Company's Act (Act VI of 1912) the following Financial and Statistical Statements are required to be sent to the Actuary to the Government of India in March, every year :—

- (1) Revenue Account of the Post Office Insurance Fund.
- (2) Statement showing the number of Policies issued, sum assured and the total amount of premia realised and also the number, amount and bonus of policies and the number and amount of contracts remaining in force on 31st March of each year.
- (3) Statement showing the additions to, and the deductions from, the number of policies existing on the 1st April of each year, as also the sum assured and the amount of reversionary bonus.
- (4) Statement showing the particulars of policies forfeited or lapsed in the last financial year, less those revived, classified according to the year in which they were issued.

NOTE.—Statement (4) should be sent to the Actuary for Life Insurance and Endowment Assurances, statements (3) and (4) being sent to the Actuary for Life Insurance only.

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**Progress Report.**

68. A daily progress report should be maintained in Form No. A. G. P. T.-172 by each of the Auditors in charge of the Audit Groups and submitted to the Gazetted Officer through the Accountant every Monday. Separate reports should be maintained in manuscript for the Issue, Account, Machine and Review Groups and submitted to the Gazetted Officer every Monday.

69. *Deleted.*

**Record Arrangements.**

70. All forms that are used in the Section are kept in the custody of a clerk who is also placed in charge of all important cases of the Section. He is to work under the direct orders of the Senior Accountant, as a General Assistant in the Section and to receive and distribute the dak. Forms of policies and premium receipt books are, however, kept in the custody of an Accountant who is required to keep a proper account of them (in Form No. S. Y.-240) and to verify the balances annually.

71. One case will be opened for each insurant, as laid down in Note 1 to Article 7 and all correspondence relating to the policy or policies held by the insurant will be filed in it. The cases will be kept arranged in racks in the custody of the Reference Clerks and will be supplied by them to the Auditors on requisition. The cases of insurants whose policies have been closed either by payment or by surrender or forfeiture are transferred to the Old Records for preservation.

72. *Nil.*



## CHAPTER 2—GOVERNMENT SECURITIES.

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### Introductory.

73. To facilitate the investment of Savings Bank deposits, in Government Securities, the Indian Post Office, acting as Agent to the Government of India, undertakes the purchase, sale and safe custody of Government Securities on behalf of Savings Bank depositors. Such transactions are regulated in accordance with the Indian Securities Act (Act X of 1920) and subsidiary rules made thereunder by the Governor General in Council—both of which will be found in the Government Securities Manual. Rules regarding such transactions, for the guidance of investors are published in the Sub-section "Investments" in Section VI of the Indian Post and Telegraph Guide. Detailed rules of procedure to be followed in Indian Post Offices will be found in Chapter 8 of the Posts and Telegraphs Manual, Volume VI (Post Office).

NOTE.—The Indian Securities Act (X of 1920) does not recognise any Trusteeship in Government Promissory Notes. These Notes are regarded as the property of the person in whose name they stand issued or endorsed and these endorsements are considered valid so long as the Notes have been dealt with under the provisions of the law and rules framed thereunder. As Government Securities held in the custody of the Accountant General, Posts and Telegraphs, stand in his own name, he may use his own discretion on the merits of each case, apart from the provisions of the Indian Securities Act or the rules issued thereunder, in making endorsements in favour of claimants.

74. The Accountant General, Posts and Telegraphs, exercises on behalf of the Auditor General, the same authority in respect of the audit of Government Security transactions as in the case of Savings Bank transactions (*vide* Article



270). The Rules issued by the Auditor General of India governing the submission of accounts to the Audit Office in respect of transactions in Government Securities and the maintenance of initial accounts from which the accounts so rendered are compiled, will be found in the Posts and Telegraphs Manual, Volume VI (Post Office). The audit and accounts work in connection with Government Securities is conducted by the Deputy Accountant General, Posts and Telegraphs, Calcutta, on behalf of the Accountant General, Posts and Telegraphs.

#### Accountant General's Imprest.

75. An imprest of Government Promissory Notes of the nominal value of Rupees one lac in various Government of India Loans is held by the Accountant General, Posts and Telegraphs. Out of this imprest Government Securities are sold to the Savings Bank depositors and into it are absorbed the securities sold by them.

In order to keep a watch over the state of the imprest, the fluctuations of the Government Securities market and the gain or loss arising out of the daily transactions, the following registers are maintained in the Government Security Section :—

- (1) Register for controlling the imprest and Sales and purchases (Form No. A. G. P. T.-200).
- (2) Imprest Register showing daily average cost of Securities (Form No. A. G. P. T.-201).
- (3) Imprest Register showing Profit and Loss (Form No. A. G. P. T.-202).

76. In the register in Form No. A. G. P. T.-200 are posted the totals of the day's purchases and sales in the various Loans and Bonds, as collected from the applications received on the day. The balance of imprest at the end of the day, which is arrived at by adding to or deducting from the previous day's balance the net result of the day's transactions, is also shown therein. The average cost per cent. of the balance of the imprest as worked out in the register referred to in Article 77 is then noted in the appropriate column of this register.

The register is placed daily before the Gazetted Officer-in-Charge of the section who will note his orders for replenishing or reducing the stock in the columns provided for the purpose. The register should be submitted to the Deputy Accountant General by the 10th of the following month.

77. The register in Form No. A. G. P. T.-201 is maintained for the purpose of working out the average cost per cent. of the balance of the imprest. This is done by adding to the previous day's balance the amount of securities purchased either from the Savings Bank depositors or through the agency of the Reserve Bank of India or through brokers. The average cost per cent. should be worked

out from the purchase transactions only and the cost of the imprest to be carried forward to the next day will be the cost of the balance of the imprest after deducting the nominal value of the securities sold.

78. The monthly profit or loss on account of the transactions in connection with the purchase and sale of Government Securities is worked out in the Register in Form No. A. G. P. T.-202. The daily transactions showing the nominal value of the securities purchased and sold, cost of purchases and sale proceeds are posted in the register from the applications. The transactions in connection with sales by Savings Bank depositors and purchases by the Accountant General are shown in columns 15 and 16 while those relating to purchases by Savings Bank depositors and sales (from imprest) by the Accountant General in columns 17 and 18. At the close of the month the average cost per cent. is calculated from the nominal value and the actual cost of the purchases made by the Accountant General during the month as well as the closing balance of the previous month and its cost at the average rate. The average price of total sales by the Accountant General during the month is worked out at the rate of the average cost per cent. of the purchase. If the average price of the total sales thus arrived at is less than the actual value of securities sold, the difference is the profit for the month, otherwise it is a loss.

79. In order to keep the imprest held by the Accountant General within its limit and also to replenish the stock, Government securities are purchased and sold either through the Reserve Bank of India or in the market through certain recognised firms of private brokers. A drawing account in the Reserve Bank of India is maintained in favour of the Deputy Accountant General, Posts and Telegraphs, Calcutta, for payment of broker's bills.

80. When Government Securities are to be purchased from the Reserve Bank of India, for replenishing the imprest, a requisition in Form No. A. G. P. T.-203 is sent to the Bank. On receipt of the Bank's intimation of purchase together with the securities the particulars of the latter are verified and entered in the Intermediate Day Book (*vide* Article 131) and then transferred to Stock after renewal if necessary. The second half of the counterfoil of the intimation of purchase is sent to the Bank in acknowledgment of the securities received. When on account of accumulation in the imprest, Government Securities are to be sold to the Reserve Bank of India, the particulars of the securities are entered on the issue side of the Stock Day Book and a requisition in Form No. A. G. P. T.-203A is sent to the Bank along with the Government Promissory Notes duly endorsed in its favour. On receipt of the Bank's intimation of sale the details thereof are checked. The particulars of the transactions (purchase and sale) are noted in the Register of Purchase and Sale of Government Securities through the Bank in Form No. A. G. P. T.-212 and the entries in the register are initialled by the Gazetted Officer on the same day. The entries are totalled monthly and the total amounts of purchases and sales are agreed with those shown in the Inward Exchange account of the Accountant General, Bengal.

81. When it is decided to replenish the imprest by purchase of securities from the brokers an order is placed with them. On receipt of the securities together with the bills in duplicate for the cost thereof, the bills are checked by the Accountant and cheques are issued in favour of the brokers, on the Reserve Bank of India. The particulars of the securities are then entered in the Intermediate Day Book after verification and then transferred to the stock after renewal, if necessary. An acknowledgment for the cheque is received from the brokers when the cheque is delivered to them.

82. The sale of Government securities through the brokers is also effected by means of cheques. Bills against the brokers are prepared in Form No. A. G. P. T.-204 and when cheques are received from them, they are remitted to the Public Accounts Department of the Reserve Bank of India for realisation along with a credit slip in Form No. A. G. P. T.-258.

A register in Form No. A. G. P. T.-257 is maintained in which are recorded on the receipt side the amount of cheques received from the brokers for the value of securities sold through them, and on the payment side the amount of cheques issued by the Deputy Accountant General, Posts and Telegraphs, Calcutta, to the brokers when the securities are purchased through them (*vide* Article 81) as well as the particulars of the cheques which are received for realisation through the Reserve Bank of India. The register is closed every month and the amount of cheques is verified as per certificate furnished by the Reserve Bank of India. An account of the payment made by cheques in Form No. A. G. P. T.-205 together with the acknowledgments for the cheques is sent for audit to the Postal Account Section. After audit the account is sent to the Accounts Officer, Telegraph Check Office, for review.

83. A remittance book in Form No. A. G. P. T.-206 is also maintained. The particulars and amounts of all cheques issued by the Deputy Accountant General, Posts and Telegraphs, Calcutta, against the drawing account and the particulars and amounts of cheques received by him for realisation through the Reserve Bank of India, are entered in the register. The entries in this book are initialled by the Accountant, Public Accounts Department of the Reserve Bank of India, in token of his having received the cheques. A statement showing the amounts of cheques forwarded to the Public Accounts Department of the Reserve Bank of India for encashment during the month is prepared in the Government Security Section and sent to the said Department of the Reserve Bank of India by the middle of the next month for verification with the books of the Bank.

A Pass Book is issued by the Reserve Bank of India in respect of the drawing account in which the number and amount of cheques issued are entered by the Bank.

84. The cost of Government Securities purchased through the Reserve Bank of India and the brokers and the sale proceeds of securities realised from them are adjusted through the Exchange Account with the Accountant General,

Bengal. When the necessary debit or credit appears in the Exchange Account of the Accountant General, Bengal, the following transfer entries are made in the Government Security Section :—

(i) In the case of purchase of Government Promissory Notes

Dr.

Post Office Savings Bank Investment Account :—,

(a) Cost of Government Promissory Notes.

(b) Interest on Government Promissory Notes.

Cr.

To

Exchange Account between Civil and Posts and Telegraphs.

Account between Accountant General, Bengal and the Deputy Accountant General, Posts and Telegraphs, Calcutta—

Items adjustable by Post Office—Miscellaneous.

IV-Taxes on Income—other than Corporation Tax.

(ii) In the case of sale of Government Promissory Notes—

Dr.

Exchange Account between Civil and Posts and Telegraphs.

Account between Accountant General, Bengal, and the Deputy Accountant General, Posts and Telegraphs, Calcutta.

Items adjustable by Post Office.

Miscellaneous.

To

Cr.

Post Office Savings Bank Investment Account :—

(a) Cost of Government Promissory Notes.

(b) Interest on Government Promissory Notes.

IV-Taxes on Income other than Corporation Tax.

### Purchase of Securities.

85. On receipt of an application for purchase, it should be entered in the register of applications in form No. A. G. P. T.-207 and then examined to see that it is in order. An application incomplete in any respect should be returned to the Postmaster with form No. A. G. P. T.-219 for resubmission after completion, the fact being noted in the register mentioned above.

All applications should ordinarily be disposed of on the day following the date of their receipt or on the next day. If the balance at credit in the Savings Bank account of any investor is less than the cost of the Securities applied for, the nominal value should be reduced to an amount which would be covered

by the balance in the Savings Bank account, unless the deficit is for a sum not exceeding Rs. 25 in which case Securities for the amount applied for should be purchased and the Postmaster instructed to recover the deficit from the depositor at the time of delivery of the Securities or the receipts for safe custody thereof. If the depositor is unable to make good the deficit, the security should be sold and if the transaction resulted in any loss, the loss should be made good by the depositor.

NOTE 1.—Investments in any Government loan bearing interest at 3½% by means of Investment Certificates have been discontinued

NOTE 2.—The check regarding the annual limit of investment admissible to a depositor under Rule 46(2) of the Savings Bank Rules should be applied with reference to the actual date of purchase of Government Securities. The check on the maximum limit of investment in Securities, interest on which is liable to income-tax, is conducted through a running account maintained for the purpose (*vide* Article 109).

86. When an application is found to be in order, the purchase should be effected at the market rate for the day on which it is actually received in complete and correct form. The Reserve Bank of India will furnish the Deputy Accountant General daily with a statement showing the selling and the buying rates for Securities of different loans and bonds. These rates are adopted by the Deputy Accountant General in dealing with the purchase and sale applications received by him. In the case of purchases and sales on behalf of Public, Regimental, Police and other conjoint accounts the investor may at the discretion of the Deputy Accountant General Posts and Telegraphs, Calcutta, be charged at the above mentioned rates or at the current market rates prevailing on the day on which the transaction is negotiated by the Deputy Accountant General, Posts and Telegraphs, Calcutta.

A memo. in form No. A. G. P. T.-208 showing the cost of Government Securities, interest from the beginning of the half-year to the date of purchase and income-tax (where due) should be prepared and attached to each application. In the case of Securities purchased and kept in safe custody within the fortnight before the close of the half-year of each loan or bond, the interest for the period from the date of purchase to the end of the half-year should be deducted from the amount of cost price. These details should also be noted in the register of applications mentioned in Article 85.

NOTE.—Applications should not be treated as having been received on a day the office is closed under Government Orders. Transactions should be effected at the rate for the day on which the office reopens after the holiday or a series of holidays.

87. If the Government Security is to be kept in the safe custody of the Accountant General, a receipt in form No. A. G. P. T.-214 signed by the Gazetted Officer-in-Charge of the Government Security Section under the date of purchase of the security and an acknowledgment in form No. A. G. P. T. 215 should be forwarded to the Postmaster along with the intimation in form No. A. G. P. T.-211, the nominal value of securities being credited to the depositor's ledger account under the Gazetted Officer's initials. An extract of the intimation should be forwarded to the Audit Office concerned for necessary

action. The cost of securities inclusive of the amount of accrued interest mentioned in Article 86 should be advised in the intimation to the Postmaster for debit to the depositor's Savings Bank account. On receipt of the acknowledgment and the intimation from the Postmaster, the date of receipt should be noted in the column provided for the purpose in the application register (*vide* Article 85) which should be reviewed by the Gazetted Officer once on the 15th and again on the last day of every month.

NOTE.—When the Accountant General's receipt for securities held in safe custody is reported to be lost by the depositor, a certificate in lieu thereof may be issued in form No. A. G. P. T.-216, the number and date of the original Safe Custody Receipt being noted thereon, which should be forwarded to the Postmaster concerned under cover of a forwarding memo. in form No. A. G. P. T.-256 along with an acknowledgment in form No. A. G. P. T.-217. If a safe custody receipt is reported as lost before delivery to the holder, a certificate in lieu thereof be issued only after a proper investigation has been conducted by the Superintendent of Post Offices concerned and a report clearly establishing the loss is received. A note of issue of the certificate should be kept in the ledger card of the depositor under the initials of the Gazetted Officer. The acknowledgment, when received back (with the depositor's signature in token of receipt of the certificate), should be filed with the case.

88. If the Government Security is to be delivered to the depositor, it should be taken out of the Accountant General's stock and after entry in the Day Book (Form No. A. G. P. T.-209) sent to the Public Debt office with a requisition in form No. A. G. P. T.-210 for encasement for payment of interest at the district or sub-treasury specified by the depositor. On receipt of the security from the Public Debt Office, its return should be noted against the original entry in the Day Book. The security should then be charged off on the issue side of the Stock Day Book, entered in the register of Government Promissory Notes received and disposed of (Form No. A. G. P. T.-242) and endorsed in favour of the depositor under the signature of the Gazetted Officer-in-Charge, care being taken that the name of the depositor is spelt in strict accordance with his signature on the application and that the words "a minor" are added to the name when he is a minor.

NOTE 1.—When a depositor requires the delivery of the securities in the form of Stock Certificates, the Notes should be endorsed in favour of the Governor General in Council and forwarded to the Public Debt Office with a requisition showing:—

- (i) the name of the Depositor,
- (ii) the address of the Depositor,
- (iii) the name of the Treasury or the Subtreasury.

NOTE 2.—If the payment of interest is required at the Public Debt Office, Calcutta, no encasement is necessary.

NOTE 3.—Encasement for an Indian State Treasury cannot be obtained through the Accountant General. If, however, the treasury specified by the depositor is in the Mysore State, the treasury to be entered in the requisition is the Imperial Bank in Bangalore. In the letter to the Postmaster forwarding the Note, the remark "Note cannot be encased for interest payment on . . . . . Treasury as applied for by depositor, but he can obtain payment orders on it by applying to the Treasury Officer, Bangalore", should be entered as foot-note. The treasuries in Mysore are Chikmagalur, Chitaldroog, Hassan, Kolar, Mysore, Shimoga, Saklasapur and Tumkur.

NOTE 4.—When a Government security is required to be encased for payment of interest in London, the name of the depositor should be endorsed on the Note and then sent to the Public

Debt Office for the issue of a non-transferable London certificate. A fee of Re. 1 is charged by the Bank on each Note presented for such encasement and should be credited by the Postmaster as a miscellaneous receipt by recovery from the depositor by debit to his Savings Bank Account. The Audit Office should be required to watch the recovery which, when traced should be taken to the head "Account between Central Revenues and Deputy Accountant General, Posts and Telegraphs concerned, Items adjustable by Post Office, Miscellaneous".

89. The security should be made over to the Record Section, under receipt, through the Register of Notes received and disposed of (Form No. A. G. P. T.-242) together with an intimation in Form No. A. G. P. T.-211 and acknowledgment in Form No. A. G. P. T.-215 for despatch to the Postmaster. An extract of the intimation in Form No. A. G. P. T.-211 should be forwarded to the Audit Office concerned for necessary action. An intimation of purchase to the depositor in Form No. A. G. P. T.-213 should also be sent through the Postmaster.

NOTE.—If a Government Promissory Note, purchased through a security deposit account pledged to a Government Officer, is required to be delivered for safe custody with the Accounts Officer of the pledgee under the rules in Chapter VIII of the Government Securities Manual, it should be forwarded to:—

- (a) If the officer is in the Indian Posts and Telegraphs Department—the Accountant General, Posts and Telegraphs.
- (b) If the officer is stationed in Bombay Presidency and the Central Provinces—the Deputy Controller of the Currency, Bombay.
- (c) If the officer is stationed in the Madras Presidency—the Deputy Controller of the Currency, Madras.
- (d) In all other cases—the Controller of the Currency, after being endorsed in their favour with particulars regarding the names of the pledger, the pledgee and the Accounts Officer concerned, a copy of the communication being sent to the Accounts Officer.

90. In cases where the security is delivered to the depositor, both the cost price of the security as well as the amount of interest (the net amount after deduction of income-tax where due) accrued on it up to the day previous to the date of purchase, should be advised in the intimation to the Postmaster for debit to the depositor's Savings Bank account.

NOTE.—The intimation of purchase in Form No. A. G. P. T.-211 and the depositor's acknowledgment in Form No. A. G. P. T.-215 should, when received back from the Postmaster, be filed after their receipt has been noted in the Register of Applications. Reminders in Form No. A. G. P. T.-221 should be issued to Postmasters calling for these documents when they are delayed for more than a fortnight.

91. The cost of Government securities purchased by Savings Bank depositors, whether kept in safe custody with the Accountant General, Posts and Telegraphs, or purchased and delivered to depositors during a month and the interest on such investments are adjusted by means of the following transfer entry.

Dr.

Savings Bank Deposits.

IV—Taxes on Income other than Corporation tax.

To Savings Bank Investment Account.

Cost of Government Promissory Notes.

Interest on Government Promissory Notes.

Cr.

The head "IV—Taxes on Income other than Corporation Tax" is operated only in cases of notes purchased and delivered to depositors. One transfer entry is made for each Postal Circle

### **Exchange of Investment Certificates for Securities.**

92. The holders of Investment Certificates (which represent 3½% Loan of 1865) may sell them or exchange them for complete pieces of Government Promissory Notes in accordance with Rules 46(6) and 47 of the rules for the guidance of Savings Bank depositors, in Section VI of the Post and Telegraph Guide. When an application, in the prescribed form, for exchange of one or more investment Certificates having an aggregate nominal value of not less than Rs. 100 for a complete Government paper is received it should be seen that the certificates accompany the application. The nominal value of certificates exchanged should be charged off in the Register of Stock of Investment Certificates under the initials of the Gazetted Officer.

The balance of the nominal value of certificates left after the exchange should be sold in the usual way (*vide* Article 101), unless the depositor desires to have Government securities, which can be purchased if the balance in his Savings Bank account is sufficient for the purpose.

93. The amount of certificates exchanged should be debited to the depositor's Investment Certificate ledger account under the initials of the Gazetted Officer. The nominal value of securities, when kept in safe custody with the Accountant General, Posts and Telegraphs, should be posted in the ledger card maintained for the depositor (a new card being prepared, if necessary) and attested by the Gazetted Officer. A receipt in form No. A. G. P. T.-214 should be forwarded to the Postmaster in the manner described in Article 87. If the securities are to be delivered to the depositor, their nominal value should be charged off on the issue side of the Stock Day Book and the security sent to the Postmaster in the manner prescribed in Article 88. The certificates exchanged should be cancelled under the initials of the Gazetted Officer-in-Charge of the Section.

### **Safe Custody and Delivery of Securities.**

94. On receipt of an application for the safe custody of securities, the notes and the application should be examined with reference to Rule 48(1) of Savings Bank Rules in Section VI of the Post and Telegraph Guide. Any irregularities noticed should be communicated to the Postmaster, if necessary, in Form



No. A. G. P. T.-218 and the application and the securities returned to him for resubmission after completion. When everything is in order, the securities should be entered in the Day Book (Form No. A. G. P. T.-209) and sent to the Public Debt Office with a requisition (in duplicate) in Form No. A. G. P. T.-210 for renewal or examination of the endorsement, re-encasement at Calcutta Treasury (if necessary) and drawing of arrear interest, if due, on those securities. On receipt of the securities from the Public Debt Office, the application should be entered in the register maintained in Form No. A. G. P. T.-222. The date of receipt back of the securities from the Public Debt Office with their nominal value should be noted against the original entry in the Day Book. The particulars of the securities should also be entered in the Intermediate Day Book and then transferred to the Stock Day Book. A receipt for the securities should be made out in Form No. A. G. P. T.-214 and forwarded under a covering letter (Form No. A. G. P. T.-223) to the Postmaster for delivery to the depositor, together with an advice of interest, less income-tax at the prescribed rate, for credit to his Savings Bank account, if any interest is due on the securities tendered for safe custody. If the depositor has already some holdings in the same kind of securities in the custody of the Accountant General, Posts and Telegraphs, the nominal value of securities tendered for safe custody should be noted in the ledger card maintained for him, otherwise, a new account should be opened in the ledger card in which the securities should be entered. The entries in the ledger card should be made under the date on which the application is received complete in all respects from the Postmaster and attested by the Gazetted Officer-in-Charge of the Section. The register in Form No. A. G. P. T.-222 should be reviewed by the Gazetted Officer on the 15th of each month.

NOTE 1.—If a deceased depositor may be kept in custody through the account of the securities to be delivered, if he desires them to be so kept. Even if the securities are taken delivery of and subsequently tendered by him for safe custody, they may be accepted.

NOTE 2.—When Government Securities are endorsed by the Accountant General in favour of a minor and are re-endorsed by him in favour of the Accountant General after his attaining majority, an affidavit should be obtained to that effect from one of his relatives in support of the endorsement. In such cases, it is not necessary that the securities should first be renewed.

95. In the case of securities tendered for safe custody, income-tax at the prescribed rate on the amount of interest accruing on them for the period within the half year they were in the possession of the depositor, should be noted in the ledger card as well as in the proper column of the register maintained in Form No. A. G. P. T.-222, *vide* Article 94. The period should be reckoned in terms of calendar months, 15 days or more of a month being considered as one month, any period less than 15 days being neglected. The amount of income-tax should be deducted from the interest payment order of the next half-year.

Payment orders for the full half-year's interest, less income-tax calculated in the manner detailed above, should be issued along with the safe custody receipts when securities are tendered for safe custody within a fortnight before the close of the half-year of each loan.

96. When an application is received from a depositor for delivery of a Government Security out of custody, it should be seen that the safe custody receipt accompanies it. It should also be ascertained by reference to the Government Security ledger card that the security is within the balance of the depositor's holdings. A security of the same nominal value and of the same loan or bond as that held by the depositor should then be taken out of the Accountant General's stock and, after entry in the Day Book (Form No. A. G. P. T.-209), sent to the Public Debt Office with a requisition (in duplicate) in Form No. A. G. P. T.-210 for enfacement for payment of interest at the District or Sub-treasury specified by the depositor or for conversion into a stock certificate if such certificate is required to be delivered. On receipt of the security from the Bank its return should be noted against the original entry in the Day Book. The application should then be entered in a register maintained in Form No. A. G. P. T.-224. The security should be charged off on the issue side of the Stock Day Book, entered in the register of Government Securities received and disposed of maintained in Form No. A. G. P. T.-242 and endorsed in favour of the depositor under the signature of the Gazetted Officer-in-Charge of the Section. In the case of stock certificates, the nominal value should be brought on to the Stock Day Book maintained for such certificates and finally charged off on the issue side thereof. The nominal value of the security should be debited to the depositor's ledger card under the initials of the Gazetted Officer and forwarded to the Postmaster with a covering letter (Form No. A. G. P. T.-225) and an acknowledgment in form No. A. G. P. T.-215 for delivery to the depositor. The acknowledgment when received back should be placed before the Gazetted Officer and filed after he has initialled the entries in the register of Government Security received and disposed of. Reminders should be issued when acknowledgments are not received back within a fortnight from the issue of the securities. The register in form No. A. G. P. T.-224 should be reviewed by the Gazetted Officer on the 15th of each month.

NOTE 1.—Securities requiring no enfacement should be entered on the issue side of the Stock Day Book and disposed as detailed above but without the intervention of the Public Debt Office.

NOTE 2.—In the case of securities delivered out of custody within a fortnight before the close of the half-year, the amount of full half-year's interest should be advised to the Postmaster for debit to the depositor's Savings Bank account under intimation to the Audit Office concerned.

### **Sale of Government Securities and Investment Certificates.**

97. On receipt of an application for sale, it should be entered in the register of applications maintained in form No. A. G. P. T.-207 and examined to see that it is in order with reference to Rule 47 of the Savings Bank depositors' Rules in Section VI of the Post and Telegraph Guide. Any irregularity noticed should be intimated to the Postmaster by means of objection memo. in form No. A. G. P. T.-219 and the documents returned to him for resubmission after completion. All applications for sale should ordinarily be disposed of on the day following the date of their receipt in the section or on the next day.

98. In the case of an application for sale of securities held in safe custody with the Accountant General, Posts and Telegraphs, it should be seen that the safe custody receipt accompanies the application. The depositor's ledger card should then be consulted and if the nominal value of securities required to be sold is within the amount held for the depositor, the sale should be effected at the market rate for the day on which the application is actually received in complete and correct form. A memo. of cost in form No. A. G. P. T.-208 as in the case of purchase applications (*vide* Article 86) should be prepared, interest being allowed upto the day preceding the date of sale. In the case of sale of securities held in safe custody within the fortnight before the close of the half-year of each loan or bond, the net sale-proceeds should be calculated after deducting the amount of interest from the date of sale to the end of the half-year. These details should be noted in the register of application referred to in Article 97. The nominal value of securities sold should be posted in red ink in the ledger card of the depositor under the initials of the Gazetted Officer.

NOTE.—The note below Article 87 also applies in the case of transactions of sale of securities.

99. An intimation of sale in Form No. A. G. P. T.-237 should be sent to the Postmaster advising him of the sale-proceeds and of any interest accrued on the securities during the current half-year upto the day preceding the date of sale, for credit to the depositor's Savings Bank account. At the same time, an extract of the intimation should be sent to the Audit Office concerned for necessary action. The particulars of sale-proceeds and interest should also be intimated to the depositor through the Postmaster in Form No. A. G. P. T.-213. The receipt sent with the application for sale should be cancelled under the initials of the Gazetted Officer and filed with the application. If the securities sold form part of an investment held on behalf of a depositor, a revised receipt in form No. A. G. P. T.-214 for the balance still remaining in the custody of the Accountant General, Posts and Telegraphs, should be sent along with the intimation of sale to the Postmaster for delivery to the depositor. On receipt of the intimation from the Postmaster with a certificate of credit to the depositor's Savings Bank account, the date of receipt should be noted in the column provided for the purpose in the register of applications which should be reviewed by the Gazetted Officer once on the 15th and again on the last day of every month.

100. In the case of security tendered for sale the particulars of the security should be entered in the Day Book (Form No. A. G. P. T.-209) and the scrip sent to the Public Debt Office for examination of endorsement and re-encasement at the Calcutta Treasury and drawing of arrear interest if due, or renewal, with a requisition in Form No. A. G. P. T.-210. If it is returned under objection by the Public Debt Office, the irregularities should be removed in communication with the Postmasters (Form A. G. P. T.-218) and the Security sent again to the Public Debt Office. When the security is received back after examination or renewal, the sale should be effected at the rate for the day on

which the application is received, by taking the security into the Accountant General's imprest, the security being transferred to the stock through the Intermediate Day Book. In these cases, a memo. in Form A. G. P. T.-208 should be prepared and attached with each application. An intimation of sale in Form No. A. G. P. T.-237 should be sent to the Postmaster advising him the sale proceeds together with accrued interest—less income tax, for credit to the depositor's account. An intimation should also be sent to the depositor through the Postmaster in Form A. G. P. T.-213. An extract of intimation should be sent, at the same time, to the Audit Office concerned for necessary action.

101. When an Investment Certificate is received with an application for sale, the procedure detailed in Articles 97 to 99 dealing with the sale of securities should generally be followed with the distinction that the amount of sale-proceeds is communicated to the Postmaster in Form No. A. G. P. T.-240 for credit to depositor's Savings Bank Account. As the issue of investment Certificates has been discontinued *vide* Note (1) below Article 85, sale of these certificates should strictly be effected according to the terms laid down in Rule 46(6) and Rule 47(1) of the Savings Bank Rules in Section VI of the Post and Telegraph Guide.

NOTE.—The balances of the heads "Post Office Savings Bank Investment Account—Principal and Interest" at the end of the year will show the gain or loss to Government on account of transactions in Investment Certificates. This will be credited or debited every year to the Civil Department through the Exchange Account with the Accountant General, Central Revenues. An annual transfer entry should be prepared on the 1st of July and an intimation sent at the time to the Accountant General, Central Revenues, reporting the amount to be credited or debited in the Exchange Account for March (Final).

102. When Government securities are sold by depositors, the amount is credited to "Savings Bank Deposits" by debit to "Post Office Savings Bank Investment Account", "Cost of Government Promissory Notes and interest on Government Promissory Notes" in the case of sale of Investment Certificates, the detailed heads of account affected are 'Principal' and 'Interest'.

#### **Repayment of Securities on maturity.**

103. Government securities held in the custody of the Accountant General, Posts and Telegraphs, on behalf of Savings Bank depositors are repayable through the Post Office on maturity. A list showing names of holders of Safe Custody acknowledgments, numbers of their Savings Bank accounts and the nominal value of securities, is prepared by the Government Security Section in duplicate and sent to each Head Post Office, a fortnight before the date of maturity. On receipt of the duplicate copy of the list it should be seen that all the items have been initialled by the Postmaster in token of his having checked them. In the case of accounts transferred to other Post Offices, Supplemental lists should be prepared in duplicate and sent to the Postmasters concerned. As regards Safe Custody receipts which have been discharged by the Post Office, a schedule of payments of securities supported by discharged

Safe Custody receipts should be forwarded by Postmasters to the Government security Section, a copy thereof being also sent to the Audit Office concerned along with the cash account rendered by them. The entries in the schedule of payments should be carefully checked and any irregularity noticed therein should forthwith be reported to the Postmaster in form No. A G. P. T.-220. Any discharge irregularly effected by the Post Office should be entered in a register which should be reviewed by the Gazetted Officer on the 25th of the following month. Further action in respect of each irregularity detected should be noted in the register. The nominal value of Securities discharged should be debited to the depositor's ledger card and the date of discharge noted in the duplicate copy of the list of holders. The Safe Custody receipts should be cancelled under the initials of the Gazetted Officer and the entry in the ledger card attested by him.

104. Discharged Safe Custody receipts should be examined in audit with reference to the following points :—

- (1) Every adult depositor should himself sign the discharge of securities matured for re-payment. If discharge is effected by an agent on behalf of any depositor on the strength of a general power of attorney, the document should be carefully examined by the Postmaster and the fact noted against the signature of the agent. The thumb impression of an illiterate depositor should be attested by a witness who is known to the Post Office but not himself a postal official, this fact being certified by the Postmaster on the surrendered Safe Custody receipt. The ex-minor's signature on the Safe Custody acknowledgment should also be attested in the manner mentioned above.
- (2) In the case of a security deposit account, the Postmaster should certify against the signature of the pledgee on the Safe Custody acknowledgment that the signatory is the pledgee.
- (3) In the case of securities held on behalf of a minor or a lunatic or any depositor incapable of managing his own affairs :—
  - (i) When the value of Securities does not exceed Rs. 5,000 :—
    - (a) The father or the widowed mother should sign the discharge, the relationship of the signatory being certified by the Postmaster.
    - (b) When the holder of the Securities and his father or the widowed mother ordinarily reside at a place other than where the depositor's Savings Bank account stands, the acquittance signed by the father or the widowed mother should be accepted on the production of a certificate of identity signed by any Magistrate. The certificate should be attached to the Safe custody acknowledgment surrendered by the depositor.

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- (c) Discharge by a person other than the father or the widowed mother should be accepted on production of a certificate from the District Magistrate to the effect that the person is the actual guardian of the holder of the securities. In the case of minor depositors, an authority for payment from the Postmaster General is necessary. The certificate should always accompany the discharged Safe Custody receipts.
  - (ii) When the value of Securities exceeds Rs 5,000 ---
    - (a) In the case of a minor depositor payment should only be made under the orders of the Postmaster General to the legal guardian
    - (b) In the case of a lunatic or any person incapable of managing his own affairs, payment should not be made unless and until the applicant has produced evidence to the satisfaction of the Accountant General, Posts and Telegraphs, that he is the actual guardian of such person. Such evidence should be attached to Safe Custody acknowledgments forwarded to the Government Security Section of the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, before payment.
  - (4) The acquittance given by the applicant for discharge of securities belonging to a deceased depositor should be accepted on the authority of the Postmaster General recognising the applicant's title to the Securities. The Postmaster-General's authority should be attached to discharged Safe Custody receipts.

**105.** Each Branch Audit Office furnishes a monthly statement of Securities discharged to the Government Security Section, so as to reach it by the 14th of the month following that to which the transactions relate. The figures for discharge reported by the Postmasters in their schedule of payments are reconciled with those communicated by the Audit Officer. Any difference between these two sets of figures will be placed under either of the suspense heads "Advances Recoverable—Excess Debit on account of Discharge of Loan" or "Deposits—short Debit on account of Discharge of Loan" and cleared by correspondence with the Audit Office. The reconciliation register should be submitted for the Gazetted Officer's review on the 25th of the following month.

Payments on account of the discharge value of Securities, appearing in the cash accounts should be taken by the Audit Office concerned to the head "Account Current between Civil and Posts and Telegraphs":

Account between Central Revenues and Deputy Accountant General, Posts and Telegraphs, concerned:

Discharge of Loan/Bond in the custody of the Accountant General, Posts and Telegraphs".

The actual amount of securities discharged and the debits passed on to the Accountant General, Central Revenues, through the Exchange Accounts of the Deputy Accountant General, Posts and Telegraphs concerned (copies of which are furnished to Government Security Section by the Deputy Accountant General, Posts and Telegraphs concerned), should be agreed every three months. Securities for the amount discharged during that period should then be forwarded to the Public Debt Office for cancellation after agreement of the balance left in the cards with that in the Stock Day Book.

NOTE.—Discharged Stock Certificates (*vide* paragraph 70 of the Government Securities Manual) received with the monthly statement of discharged securities should also be forwarded to the Public Debt Office for cancellation.

### **Maintenance of Security-holders' accounts.**

**106.** Security-holders' accounts are maintained in loose ledger sheets (Form No. A. G. P. T -248) which are kept in securely locked binders grouped according to each loan and arranged serially according to numbers of Savings Bank accounts in each Post Office under each circle. Bound ledgers are also maintained separately for Postal and Telegraph employees and contractors.

Entries in ledger accounts are made of the following transactions under the attestation of the Gazetted Officer in Charge of the Section.

- (1) Purchase and Safe Custody.
- (2) Tendered for Safe Custody.
- (3) Exchange of Investment Certificates for Government Promissory Notes to be kept in Safe Custody.
- (4) Delivery out of custody
- (5) Sale of Government Promissory Notes or Investment Certificates kept in Safe Custody.
- (6) Discharge of Securities.

**107.** Ledger accounts are opened and posted in accordance with the following rules :—

- (a) The name of the Post Office, the number of the Savings Bank account and the particulars of the loan in which investment is made should be properly written in the space provided for those purposes. Transactions detailed in article 106 should be noted in proper columns with indications of case-mark in the 'Remarks' column and a balance struck after each transaction under the initials of the Gazetted Officer in Charge of the Section.
- (b) The names of minor depositors should be written in red ink, with the addition of the word "minor".

- (c) The designation of Departmental employees and the nature of work or contract in the case of contractors, should be entered in their accounts along with the official designation of the Officers through whom the securities are received.
- (d) In the case of securities purchased through security deposit accounts, the words "Security deposit" and the designation of the Officer to whom the Securities are pledged should be noted in red ink in the ledger cards.
- (e) A note of outstanding income-tax in cases where securities are tendered for safe custody, should be kept in the respective ledger card.

**108.** A transfer register should be maintained in form No. A. G. P. T.-249 separately for each Postal Circle and in respect of each Loan or Bond or Investment Certificate. Transfers of security holders' accounts from one Post Office to another intimated through supplemental interest Payment Orders, intimations from Post Offices, sale or deliver applications from Investors, should be noted in the register after carrying out necessary corrections in the names of Post Offices and numbers of Savings Bank accounts in the ledger cards. Cases of corrections in the numbers of Savings Bank accounts due to attainment of majority by minor depositors and transfer of securities from Savings Bank Accounts of deceased depositors to those of recognised claimants should also be noted in the register and necessary corrections made also in ledger cards. Transfers of Security-holders' accounts affecting Post Offices in two different postal circles should be noted in the register of the transferring circle. The shifting of cards to proper binders for the disposal of items noted in all the transfer registers should be undertaken without any avoidable delay in the presence of an Accountant who should initial the item in the transfer register as soon as the particular card or cards are removed and put in proper binders. The transfer registers should be submitted to the Gazetted Officer for review on the 15th of every month.

**NOTE 1**—Ledger cards relating to Savings Bank Accounts of depositors who are reported to have died should be removed to separate binders maintained for the purpose.

**NOTE 2**.—When the Government Security holdings of individual Savings Bank depositor are completely sold or delivered and there have been no transactions on their behalf during subsequent three years, the respective cards should be removed from the loose leaf ledgers and filed in a separate binder of closed cards arranged according to Circles and loans.

**Check over the maximum limit of holdings in taxable securities in the custody of the Accountant General, Posts and Telegraphs.**

**109.** The check over the maximum limit of holdings, prescribed in Rule 46 of Savings Bank rules in Section VI of the Post and Telegraph Guide, of a Savings Bank depositor in income-tax bearing Securities kept in the custody of the Accountant General, Posts and Telegraphs, is exercised through a running account maintained for the purpose in Form No. A. G. P. T.-252 in respect of



each individual investor. These cards are kept in cabinets which should be in the charge of an Accountant. They should be arranged serially according to numbers of Savings Bank Accounts and Post Offices according to each Postal Circles.

NOTE.—Cards should also be maintained in respect of Public Accounts in order to distinguish the assessable portions, when the total amount of holdings exceeds Rs. 23,500. In distinguishing the assessable portion, preference should always be given to the loans or bonds bearing lower rate of interest.

110. As soon as applications for Safe Custody of Securities are received in complete and correct form in the Government Securities Section, a requisition slip in Form No. A. G. P. T.-255 should be prepared in respect of each application. The cards should then be picked out from the cabinets, the slips being kept in their places. The applications should be scrutinised by reference to these cards. If it is found that the maximum limit is exceeded by acceptance of the full amount of an application, the excess should be cut down or the application returned to the Postmaster for modification according as the application is for purchase or for Safe Custody of Securities tendered with the application. Requisition slips in Form No. A. G. P. T.-255 in respect of applications for sale of securities, delivery out of custody and repayment on maturity received on behalf of individual investors, should also be prepared and used for taking out the cards of respective depositors.

Before the applications are finally disposed of, the transactions should be posted in the respective cards maintained for the purpose of exercising the check over the maximum limit, *vide* Article 109, and the balance of holdings struck thereon under the initials of the Accountant. New cards should be opened in respect of investors having no previous holdings in Safe Custody with the Accountant General, Posts and Telegraphs. The cards should then be replaced in the cabinets and the requisition slips removed therefrom.

NOTE.—In case of transactions through Public Accounts, re-distribution of assessable amounts should, if necessary, be noted on the cards under initials of the Accountant.

111. When the Savings Bank account of a depositor having some holdings in Securities, interest on which is liable to income-tax, in the custody of the Accountant General, Posts and Telegraphs, is transferred from one office to another, the total amount of such holdings should promptly be ascertained by reference to the relative card maintained for the purpose of exercising the check over the maximum limit (*vide* Article 109). Necessary corrections of the number of account and of the name of the Post Office to which transferred should be carried out in the card on the authority of the intimation received from the Post Office. The card should immediately be placed in its proper place in the cabinet of the Post Office to which the account has been transferred.

### Security Deposits.

112. Security deposits of Posts and Telegraphs employees and contractors when they take the form of Government Securities received in trust by the

Administrative Officers of the Department, in accordance with the rules in Chapter 20 of the Posts and Telegraphs Initial Account Code, Volume I, should be dealt with by the Accountant General, as far as possible, according to the rules laid down in Chapter VIII of the Government Securities Manual.

NOTE 1.—One copy of the covering letter received with the Government Securities tendered for safe custody should be returned duly signed by the Gazetted Officer-in-Charge of the Section to the officer tendering the securities

NOTE 2.—Port Trust, Municipal and City Improvement Trust Debentures and securities issued by Provincial Governments deposited as security are held in trust by the Accountant General

### Calculation and Payment of Interest on Securities and Investment Certificates.

113. Interest on Government Securities falls due half-yearly on the following dates :—

5% Loan of 1939-44	.	15th January and 15th July.
3½% Loan of 1879	.	16th January and 16th July.
3½% Loan of 1842-43 ..	.	1st February and 1st August.
4% Bonds of 1943 ..	.	Ditto.
4% Loan of 1960-70 ..	.	15th March and 15th September.
4½% Loan of 1955-60 ..	..	Ditto.
5% Loan of 1940-43 ..	..	1st April and 1st October.
5½% Loan of 1938-40 ..	..	Ditto.
5% Income Tax Free Loan of 1945-55	.	15th April and 15th October.
3½% Investment Certificates ..	..	} 1st May and 1st November.
3½% Loan of 1865 ..	..	
3½% Loan of 1947-50 ..	..	15th May and 15th November.
2¾% Loan of 1948-52 ..	..	1st June and 1st December.
3% Loan of 1854-55 ..	..	30th June and 31st December.
3½% Loan of 1906-01 ..	.	Ditto.
3% Loan of 1896-97 ..	..	Ditto.
3% Loan of 1951-54 ..	..	15th March and 15th September.
3% Loan of 1941 ..	..	Ditto.

114. One week before the half-yearly interest on each loan or bond falls due, unconverted Notes from the Stock are forwarded to the Public Debt Office for drawing interest and Government Promissory Notes are received back along with interest warrants. Stock Certificates are not required to be so presented but interest Warrants in respect of different classes of securities held in the form of stock certificates are duly received from the Public Debt Office on due dates. An intimation of the amount of interest due on different

classes of securities converted into stock certificates is duly received from the Public Debt Office. On receipt of the interest warrants from the Public Debt Office, the gross amount should be checked and the warrants sent to the Public Accounts Department of the Reserve Bank of India under cover of a memo. in Form No. A. G. P. T.-258 for realisation and credit of the amount in the India portion of the Bank's account, under the head "Account between Central Revenues and Deputy Accountant General, Posts and Telegraphs, Calcutta".

The interest warrants received from the Public Debt Office include interest on three accounts, namely :—

- (1) Government Security held on behalf of Savings Bank depositors,
- (2) Security deposits of Postal employees and contractors,
- (3) Security deposits of Telegraph employees and contractors.

As regards interest on stock certificates, a separate page should be set apart for each half-year at the end of the Stock Day Book. In the first column should be entered the description of the loan, in the second column the due date on which interest accrues during the half-year and in the third column the amount outstanding on the due date. The date of despatch of the interest warrants should be entered in the column for that particular loan and the entry attested by the Gazetted Officer-in-Charge of the Section.

NOTE 1.—To ensure that all interest warrants in respect of Government Promissory Notes are sent to the Bank, the amount of interest noted in the Bank's credit slip (Form No. A. G. P. T.-238) should be checked with that in column 7 of the Day Book (Form No. A. G. P. T.-209) which should be initialed by the Gazetted Officer.

NOTE 2.—Payment of interest on Stock Certificates by Head Post Offices at head quarters of Indian States where there are no Civil Treasuries, is admissible in cases in which the holders of Securities have obtained the stock Certificates from the Public Debt Office in the ordinary way and only payment of interest is required to be made at the Post Office.

115. Before the half-yearly interest on any loan or bond falls due, the interest on the holdings of each depositor in that loan or bond should be calculated and posted in the proper column of the ledger card (Form No. A. G. P. T.-248) with particulars of the half-year and the number of the interest Payment Order noted against the Item. Interest on all transactions (purchase, sale, safe custody and delivery) effected within a fortnight before the close of the half-year is adjusted at the time of disposal of these applications. Such transactions should not therefore be taken into account for the purpose of calculation of half-yearly interests.

Interest Payment Orders should then be prepared in Form No. A. G. P. T.-228(b) from the ledger cards in triplicate of which one copy along with a form of certificate of credit in Form No. A. G. P. T.-228(a) should be sent to the Postmaster concerned under cover of a forwarding letter in Form No. A. G. P. T.-228 for credit of amounts of interest noted therein to the depositor's accounts. Of the remaining two copies, one should be sent to the Audit Office concerned with a forwarding memo. in Form No. A. G. P. T.-231 while the other is retained as office copy. These payment orders should be despatched to Postmasters

five days prior to the close of the half-year and to Audit Offices within one week after the close of the half-year to which they appertain. A manuscript register is maintained to effect a reconciliation of the total nominal value in each loan or bond for every half-year on which interest has been advised with the amount held in stock excluding holdings of deceased depositors in respect of the said loan or bond. This register should be submitted for the Gazetted Officer's review 10 days after the issue of Interest Payment Orders.

NOTE 1.—Interest on securities in excess of Rs. 22,500 held in the custody of the Accountant General, Posts and Telegraphs through public accounts is liable to income-tax. The assessable amount is kept noted in red ink on the ledger cards and in passing interest on such holdings necessary deduction of Income tax from the amount of interest should be made. A certificate in the prescribed form No. A. G. P. T.-283 should also be sent along with the Interest Payment Orders for delivery to the investors.

NOTE 2.—In case an intimation of death of a depositor is received from the Post Office, the fact should be noted in the depositor's ledger card and the advice of the half-year's interest should not be issued. The accumulated interest should be passed for payment in cash after receipt of the application from the recognised claimant regarding the disposal of securities and the Postmaster General's orders.

116. On receipt of Interest Payment Orders, the Postmaster will, in the case of accounts transferred to other Post Offices within the same Postal Circle, certify that necessary intimations in duplicate readvising the amounts of interest have been sent to Post Offices where those accounts have been transferred and quote all particulars thereof in the space provided for the purpose below the certificate. If, however, necessary particulars have not been furnished by any transferring Post Office in the certificate of credit, a reference should be made in Form No. A. G. P. T.-230(a). A register should be maintained in Form No. A. G. P. T.-233 wherein the details of those intimations should be recorded to watch the return of the copies of the intimations meant for the Government Security Section from the Post Office to which the accounts are transferred.

In the case of an account transferred to a Post Office in a different Circle, the Postmaster will note its particulars in the space provided below the certificate and, a supplemental payment order in form No. A. G. P. T.-229 should be advised by the Government Security Section to the Post Office where the account has been transferred. A copy of the supplemental Interest Payment Order is required to be sent to the Audit Office concerned when amounts of Interest on Government Securities advised therein are finally credited by a Post Office in a different Postal Circle.

117. A person who opens a Security deposit account or any of the other classes of accounts (*i.e.*, public, regimental, police and other conjoint accounts), is treated as an ordinary depositor so far as payment of interest is concerned and provided the Government Securities purchased by such a person through the Post Office are kept in the custody of the Accountant General, Posts and Telegraphs, the interest thereon is exempt from Income-tax. Interest due on Government Securities, purchased through the Post Office and delivered to the purchaser concerned but subsequently tendered for safe custody is not

exempt from income-tax for the period during which the Securities were with the purchaser. The exemption is allowed on such cases from the date on which the application for safe custody together with the Government Security is received in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta.

118. When a Mahomedan depositor refuses to take interest on Government Securities, a proper note should be kept in the ledger card and the interest as it falls due should be credited to the head "Abstract BI-Miscellaneous Revenue—Fees and other Receipts—Other Items". If, however, interest is claimed afterwards, it will be allowed with effect from the month succeeding that in which the application is received.

119. The balance on which interest is payable in respect of Government Securities held on behalf of a Savings Bank depositor, should be checked with the depositor's ledger account before interest is advised to the Postmaster for credit to the depositor's Savings Bank account. The Accountant should, before issue of the interest payment orders, test-check a few items in the ledger accounts.

120. The interest payment orders should be entered in a register maintained in Form No. A. G. P. T.-232 and despatched with the distinguishing number assigned to each Post Office in a Circle. Before despatch of Interest Payment Orders, an agreement should be effected between the closing balance of the Government Securities on which interest for the period in question is advised and that of the preceding half-year by taking into account all transactions occurring thereafter. The despatch register should be reviewed by the Accountant seven days after the close of the half-year to which the interest Payment Orders appertain and by the Gazetted Officer in July and January each year. On receipt back, the certificates of credit should be examined to see if the Postmasters have certified that necessary postings have been made in the depositors' accounts. When such postings could not be made on account of transfers of accounts within the same Postal Circle, it should be seen that necessary intimations have been furnished to Post Offices where the accounts have been transferred. In the case of accounts transferred to Post Offices in different Postal Circles, supplemental Interest Payment Orders should be prepared in triplicate in Form No. A. G. P. T.-229 and despatched in the usual way within three days from the date on which the certificates are received back. In case the certificates of posting interest are not received back within a fortnight from the date of despatch from the Postmasters, a reminder should be issued in Form No. A. G. P. T.-230. When intimations regarding credit of interest to depositors' Savings Bank accounts have not been received from the Post Office (within the same Postal Circle) where those accounts have been transferred, a reminder should be issued in Form No. A. G. P. T.-230(a) after a fortnight from the dates of issue of those intimations.

121. Trust Interest Payment Orders relating to Postal and Telegraph employees and contractors will be made out in Forms Nos. A. G. P. T. -234 and 235 particulars being taken from a register maintained in Form No. A. G. P. T. -227 and communicated to Heads of Circles and other officers to whom the Securities are pledged, for payment of the amounts to the parties concerned, five days before the close of the half-year to which the orders relate, so that payment may be made on the date on which interest becomes due. The check prescribed in Article 119 should also be exercised before issue of these payment orders. These registers along with the Despatch Register of Interest Payment Orders mentioned in Article 120 should be reviewed by the Accountant at the time of issue of payment orders. Such payments appearing in the cash accounts should be taken by the Audit Office to the head "Trust Interest Account". A list of these payments should be furnished by each Audit Office to the Government Security Section in Form No. A. G. P. T.-236

A broadsheet showing the outstandings under the head "Trust Interest Account" should be maintained in manuscript by the Government Security Section and reviewed by the Gazetted Officer at the end of the third month following.

NOTE.—Income-tax on interest due on the Security investment (not effected through Post Office) of Government servants and income-tax and commission due on the Securities of contractors are calculated at the maximum rate. The net amount, after effecting necessary deductions, is entered in the interest Payment Orders. There will be no charge for commission in the case of Departmental employees. A certificate showing total deductions on account of income-tax is furnished to any one applying for the same with a view to claim refunds of income-tax from income-tax authorities.

122. *Deleted.*

123. The amount of interest on Securities drawn from the Public Debt Office should be adjusted by means of the following transfer entry :

Dr :

Exchange Account between Civil and Posts and Telegraphs.

Accounts between Accountant General, Bengal and Deputy Accountant General, Posts and Telegraphs, Calcutta, Items adjustable by Post Office :

Miscellaneous :—

Cr :

To Post Office Savings Bank Investment Account :—

1. Interest on Government Promissory Notes (net interest after deduction of commission and Income-tax).
2. Interest (for Investment Certificates).
3. IV—Taxes on Income other than Corporation Tax.

#### 4. Exchange Account between Civil and Posts and Telegraphs.

Accounts between Accountant General, Bengal and the Deputy Accountant General, Posts and Telegraphs, Calcutta.

Items adjustable by Civil Department.

Miscellaneous.—

(Commission deducted from the interest on Government Promissory Notes.)

The amount of interest payable to Savings Bank depositors is credited to "Savings Bank Deposits" by debit to the head "Post Office Investment Account :—

(a) Interest on Government Promissory Notes,

or

(b) Interest,"

as the case may be. Interest on Government Promissory Notes deposited as security by Departmental employees and contractors, *vide* Article 121 is credited to the head "Trust Interest Account" by debit to "Interest on Government Promissory Notes".

#### Payment of Sale-proceeds of Securities and Interest accrued thereon after the death of a depositor.

124. Interest on Government securities falling due on or after the date of death of a depositor or their sale-proceeds or discharge values should not be credited to the Savings Bank account of the deceased depositor. The total amount should be advised to the Postmaster in Form A. G. P. T.-260, 260 (a), 260 (b) as the case may be for payment in cash to his legal heir as determined by the Postmaster-General through the Post Office where the Savings Bank account of the deceased stands open.

Sanctions received for the disposal of securities including Investment Certificates held by a deceased depositor should forthwith be noted in the register maintained in manuscript as well as in the personal ledger card of the deceased so that no further interest may be advised for credit to the Savings Bank account of the deceased depositor. The register should be submitted to the Gazetted Officer for his review on the first working day of the following month.

125. When an intimation of death of any security holder is received, the date of death and other particulars should be noted in a manuscript register and the relevant card or cards should be shifted to the deceased depositor's Binders (*vide* Note 1 below, Article 108) and each entry in the register should be attested by the Accountant. It should then be examined to see whether any interest has been advised for credit to his Savings Bank account after the date of his

death. If such credit has been advised, the Postmaster of the office where the Savings Bank account of the deceased stands open, should at once be addressed in Form No. A. G. P. T.-259 to cancel all such amounts of Interest on Government Securities from the Savings Bank account of the deceased depositor and a copy of the letter sent to the Audit Office concerned along with a statement showing the amount of interest written back in the accounts of the Circle concerned. Necessary re-adjustments in accounts should promptly be effected by crediting "Savings Bank Investment Account—Interest on Government Promissory Notes or Interest" (deduction from debit) as the case may be and debiting "Savings Bank Deposits" (Deduction from credit).

The sale-proceeds of securities of a holder who dies before the sale is effected should not be advised for credit to the Savings Bank account of the deceased but should be held under "Savings Bank Investment Account—Cost of Government Promissory Notes" or "Principal" as the case may require so far as it represents sale-proceeds proper and "Savings Bank Investment Account—Interest on Government Promissory Notes or Interest" so far as it relates to interest included in sale-proceeds. On receipt of proper sanction from the Postmaster-General, the necessary payment order will be issued to the Postmaster in Form A. G. P. T.-260 to pay the amount in cash to the legal heir of the deceased.

A register should be maintained in manuscript in which all transactions of write-back of interest on Government Securities and cash payments should be noted to watch payment and correct adjustment. Each entry in the register should be attested by the Accountant-in-Charge.

**126.** Cash payments on account of sale-proceeds of Government Securities and interest accruing thereon after the death of a depositor appearing in the schedule of unclassified payments in the Post Office accounts should be classified by the Audit Office concerned under the head "Savings Bank Investment Account—(1) Cost of Government Promissory Notes, and (2) Interest on Government Promissory Notes, or (1) Principal and (2) Interest" according as the securities represent Government Promissory Notes or Investment Certificates.

A statement in Form No. A. G. P. T.-261 showing the details of cash payments mentioned in Articles 124 and 125 should be prepared in the Postal Audit Section of each Audit Office from schedules of unclassified payments and a consolidated statement for each Postal Circle forwarded to the Government Security Section by the 25th of the month following that to which the transactions relate. The number and date of the pay order and the detailed head under which the amount has been adjusted should invariably be quoted against each item.

### **Receipt and Disposal of Securities.**

**127.** All Government Securities received should be carefully examined and entered in a register of securities received and disposed of in Form No. A. G. P.



T.-242 under the attestation of the Gazetted Officer in charge of the Section. These securities should be sent to the Public Debt Office for examination of endorsement or renewal as the case may be, duly entered in the Day Book maintained in Form No. A. G. P. T.-209 along with a memo. in duplicate in Form No. A. G. P. T.-210. Suitable notes should be recorded against the numbers of those securities in the register referred to above. One copy of the memorandum is retained by the Public Debt Office while the other will be returned the same day, duly endorsed, in acknowledgment of the securities. This register is reviewed by the Gazetted Officer on the 15th of each month.

128. The acknowledgments should be presented at the Public Debt Office on the due dates noted below :—

- (a) Issue of warrant for interest only . . . \*After 7 clear working days.
- (b) Renewal, Sub-division or consolidation of Notes . . . . . †After 9 clear working days.
- (c) Enfacement of a Note, Inland or London . . . . . After 3 clear working days.
- (d) Registration of a document . . . . . After 1 clear working day.

129. On receipt back of the securities after examination or renewal, their return should first be noted against the original entries in the Day Book (Form No. A G P. T.-209). The securities should then be brought on to the Stock Day Book (*vide* Article 132) through the Intermediate Day Book (*vide* Article 131) under the initials of the Gazetted Officer. Securities received back with objection memoranda should be returned to the officers concerned for compliance with the requirements of the Public Debt Office.

NOTE 1.—Securities tendered for re-enfacement will not be brought on to the Intermediate Day Book. They should be returned to the Postmaster direct, after re-enfacement.

NOTE 2.—When Government securities are returned by Postmasters as undeliverable, they will be entered in the Stock Book of undelivered securities maintained in Form A. G. P. T.-262. The undelivered Stock is verified by the Gazetted Officer on the first working day of each month. They will remain in the name of the holders until they are requisitioned for by them. The acknowledgment of these securities when delivered to depositors is duly noted in the register (Form No. A. G. P. T.-242) which is reviewed by the Gazetted Officer on the 15th of every month.

130. When securities are deposited by Departmental employees and contractors for 12 months or less, or when they are deposited for more than 12 months but the depositor does not desire to draw interest thereon during the period, they should remain in the name of the depositor and be entered in the Intermediate Day Book and transferred to stock Day Book (Form No. A. G. P. T.-244) on a separate page maintained for the purpose, *vide* Articles 131 and 132. The words "No Interest" should be entered prominently at the top of the ledger card of the depositor.

\*Save in the fortnights preceding and succeeding the dates on which half-yearly interest on a loan becomes due when two additional days are required.

†If interest also is due, five additional days are necessary.

### Intermediate Day Book.

131. In the Intermediate Day Book (Form No. A. G. P. T.-243) are entered all securities (Government Promissory Notes or Stock Certificates) received from the Reserve Bank of India and brokers as well as those received from Heads of Circles and other departmental officers for sale or safe custody. In the latter case, the Securities are entered in the Intermediate Day Book only after examination of the endorsement or renewal. The securities are then transferred to the Stock Day Book (Form No. A. G. P. T.-244).

### Stock Day Book.

132 All Government Securities (G. P. Notes and Stock Certificates) entered in the Intermediate Day Book (*vide* Article 131) are transferred to the Stock Day Book which is maintained in Form No. A. G. P. T.-244 separately for Government Promissory Notes and Stock Certificates. Entries relating to Securities mentioned in Article 130, *i.e.*, Departmental employees and contractors should be made in the receipt side in a separate page of the Stock Day Book and when they are returned or sold they should be charged off on the issue side. Each entry in the Stock Day Book, both on the receipt and issue sides, is attested by the Gazetted Officer. The Stock Day Book is balanced monthly. The closing balances as well as the balance under each loan in the Stock Day Book are verified by the Gazetted Officer-in-Charge of the section on the first working day of each month by actual enumeration of Government securities in the custody of the Accountant General, Posts and Telegraphs.

133. In the Stock Day Book separate columns are provided for different loans. It shows on the receipt side the amount of Securities held by the Accountant General and on the issue side are entered, in detail, the amount of all securities returned, sold or converted. When Government Promissory Notes of higher denominations or Stock Certificates as the case may be, are sent to the Public Debt Office for sub-division into Government Promissory Notes of smaller denominations, they are not entered on the issue side of the Stock Day Book, but are shown in the Day Book only.

When there is an accumulation of Government Promissory Notes in the Accountant General's Stock, they are sent in convenient batches to the Public Debt Office to be converted into Stock Certificates. Government Promissory Notes of each loan are converted into Stock Certificates of the same loan. They are sent to the Public Debt Office with a forwarding letter in form No. A. G. P. T.-210 duly entered in the Day Book (Form No. A. G. P. T.-209).

NOTE.—The Notes sent to the Public Debt Office for conversion into Stock Certificates must bear the following endorsement :—

“ Pay to the Governor-General of India in Council ”.

134. A separate register (known as Denomination Register) showing the number of Government Promissory Notes of each denomination of each kind of loan or bond held in stock after each day's transactions should be maintained  
MHP&T

in Form No. A. G. P. T.-247. The balances in this register at the end of each month under each loan or bond should be verified with the balances exhibited in the Stock Day Book.

135 On the 1st June and 1st December each year, an officer belonging to the Outside Audit Department of the office of the Accountant General, Bengal, verifies the balance of Government Promissory Notes and stock certificates held by the Accountant General, Posts and Telegraphs, and furnishes a certificate of verification along with an abstract of the verified stock.

#### **Monthly Reconciliation of purchase, sale and interest on Securities.**

136. When all intimations of purchase and sale of securities and interest payment orders for one complete month are issued, the total amount on account of purchase and sale of securities as also of interest for each postal circle is separately worked out from manuscript registers maintained in the Government Security Section and forwarded to Audit Offices concerned embodied in statements (in form No. A. G. P. T.-238) not later than the 3rd day of the second month following that to which the figures relate, in order to reconcile these figures with the total of the amounts advised through several intimations of purchase and sale and interest payment orders. Any discrepancy detected by the Audit Offices in the course of this reconciliation should be communicated to the Government Security Section of the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, for re-adjustment, if necessary, along with the details of each intimation of purchase and sale and interest payment order by summation of which the total figures for the month are arrived at in the audit offices.

137. A register in form No. A. G. P. T.-241 should be maintained in the Government Security Section for the purpose of effecting a monthly reconciliation of purchases and sales. This register should be submitted to the Gazetted Officer for inspection at the end of each month.

#### **Half-yearly verification of balances in Depositors' Accounts.**

138. The total holdings in different loans and bonds of each depositor on the 30th September and 31st March each year should be compiled in form No. A. G. P. T.-251 from ledger cards separately for each Postal Circle. The total holdings in each loan and bond thus arrived at should be verified with the Stock Day Book, *vide* Article 132. The Senior Accountant-in-Charge of the Government Security Section is personally responsible for seeing that this verification is regularly made and that the ledger abstracts are submitted to the Gazetted Officer on due dates, namely, 1st February and 1st August each year.

#### **Statistical Returns and Publication of Accounts.**

139. A general account of transactions relating to Government Securities on behalf of Savings Bank depositors only is required by the Director General, Posts and Telegraphs, for incorporation in the Annual Report on the operation

of the Post Office Savings Bank. This account should be compiled in forms A. G. P. T.-253 and 254 maintained in manuscript and despatched in duplicate to the Accountant General, Posts and Telegraphs, on the 15th August of each year, for submission to the Director General of Posts and Telegraphs.

**139-A.** A statement of stock certificates for Rs. 50,000 and upwards held by the Accountant General, Posts and Telegraphs, on the 30th June and the 30th December of each year should be compiled in manuscript and forwarded to the Government of India in the Finance Department by the first working day in July and January every year.

**139-B.** A monthly statement showing approximate figures of purchases and sales of Government Securities and Investment Certificates with interest thereon effected on behalf of Savings Bank depositors only is rendered to the Accountant General, Posts and Telegraphs, on the 13th of the month following that to which the transactions relate.

**139-C.** A monthly abstract of transfer entries effected by the Government Security Section is compiled in form No. A. G. P. T.-519 and forwarded to the Audit Offices concerned for inclusion in their accounts on the 18th of the month following that to which those entries relate. A "nil" abstract should invariably be sent to an Audit Office if in any particular month there is no account adjustment affecting any Postal Circle under the jurisdiction of that Audit Office.

**139-D.** A statement showing deductions made on account of income-tax on interest accruing on Securities held in the custody of the Accountant General, Posts and Telegraphs, during the course of a financial year should be prepared and forwarded to the Accountant General, Posts and Telegraphs, by the 20th June each year.

**139-E.** A monthly statement in manuscript showing the discharge of securities held in the custody of the Accountant General, Posts and Telegraphs, on behalf of Savings Bank depositors and of Stock Certificates discharged by Post Offices in Indian States and the total amount of debits passed on to the Accountant General, Central Revenues, through the exchange accounts of the Deputy Accountant General, Posts and Telegraphs, concerned (copies of which are furnished to the Government Security Section by the Deputy Accountant General, Posts and Telegraphs, concerned) is rendered to the Accountant General, Central Revenues, on or before the last day of the second following month.

**139-F.** A statement showing particulars of Government Securities held by the Accountant General, Posts and Telegraphs, on behalf of departmental employees and contractors should be compiled in Form No. 20 of the Government Security Manual and despatched to the Publisher, Gazette of India, Old Press Buildings, Civil Lines, Delhi, on or before the 5th February every year for publication in the Gazette of India (Part II).

**NOTE.**—The names of Post Office Savings Bank depositors should not be published in the account, but the total amount held on their behalf should be exhibited in one entry, "Savings Bank depositors".



## CHAPTER 3.—BRITISH POSTAL ORDERS, ETC.

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### Introductory.

**140.** The Accountant General, Posts and Telegraphs, is responsible for the stock, custody and issue of British Postal Orders as also for the audit of all transactions relating to them. The rules for indent, sale and payment of British Postal Orders in Post Offices as well as those relating to maintenance of the initial accounts and submission of account returns of British Postal Order transactions to Audit Offices will be found in Chapter 7 of the Posts and Telegraphs Manual, Volume VI.

**141.** The Deputy Accountant General, Posts and Telegraphs, Calcutta, acting on behalf of the Accountant General, Posts and Telegraphs, is responsible for holding the central stock of British Postal Orders, their safe custody and issue to the Branch Audit Offices under the Accountant General, Posts and Telegraphs. All work in this connection is done in the Government Security Section of the Office of the Deputy Accountant General, Posts and Telegraphs, Calcutta.

### Central Stock.

**142.** The central stock is obtained by half-yearly indents on the London Post Office for the supply of Orders calculated as sufficient to increase the existing stock of each denomination so as to meet the requirements of one year. For

this purpose, half-yearly reports in the following form should be drawn up and submitted to the Deputy Accountant General, on the 15th January and 15th July each year, showing what denominations need replenishing. The indents should be prepared accordingly and issued over the signature of the Deputy Accountant General. Office copies of indents should be kept in a register maintained for the purpose.

*Half-yearly indent for British Postal Orders.*

Denomination.	Issues in the previous twelve months as detailed on the reserve.	Central stock on 31st Dec. 30th June 19 .	Additions required (in even thousands, to make up a year's demand. Column (3), when less, deducted from column (2). (4)	Remarks.
(1)	(2)	(3)	(4)	(5)
One shilling.				
One shilling and six pence.				
Two shillings and so on.				

NOTE.—If the number in column (3) exceeds that in column (2), the word *Nil* should be written in column (4) and no indent will be necessary.

**Custody of the stock.**

143. The central stock is kept by the Treasurer of the General Post Office, Calcutta, on behalf of the Deputy Accountant General. The stock is secured in a safe with double locks in the joint custody of the Gazetted Officer in charge of the Government Security Section and the Treasurer of the General Post Office, each of these officers keeping the key of one of the locks in his personal custody.

On receipt of the Orders from London, their serial numbers, etc., should be noted in the register mentioned in Article 142 and attested by the Treasurer as well as by the Gazetted Officer. The acknowledgment for the Orders should also be prepared and initialled by the Treasurer and despatched to London duly signed by the Deputy Accountant General or the Gazetted Officer.

**Stock in Branch Audit Offices.**

144. Every Branch Audit Office will be provided with a stock of British Postal Orders for issue to Head Postmasters under its audit jurisdiction. The stock in the Audit Office should similarly be kept

in a safe with double locks, one key being kept in the personal custody of a Gazetted Officer of the office and the other, with an Accountant or a senior clerk selected by the Deputy Accountant General. The stock will ordinarily be replenished every three months from the central stock, by quarterly indents (in Form A. G. P. T.-302) on the 1st of January, April, July and October, each year. Supplemental indents may however be made when the stock is found to have run out, owing to unusual demands from Postmasters

#### **Issues from the Central Stock.**

145. The quarterly or supplemental indents received from the Branch Audit Offices (including the Postal Audit Office, Calcutta) should be submitted to the Deputy Accountant General, and when orders for supply have been passed by him, they should be sent for compliance to the Treasurer who will at once arrange with the Gazetted Officer (see Article 143) for prompt issue of the Orders. After the Orders have been taken out of the stock and checked both by the Gazetted Officer and the Treasurer the latter will issue them with an invoice (Form A. G. P. T.-303) in duplicate signed by himself, in which the serial and consecutive numbers of each Order issued should be detailed.

146. The original copy of the invoice issued by the Treasurer on being received back from the Audit Office concerned, duly signed as an acknowledgment, should be filed in the General Post Office, in a guard file. The Treasurer should see that he receives an acknowledgment for the British Postal Orders supplied to the Audit Offices within a reasonable time, issue reminders for the same when necessary, and bring cases of unusual delay to the notice of the Gazetted Officer

#### **Record of Central Stock.**

147. As British Postal Orders are received from the London Post Office or are issued to the Branch Audit Offices, the Treasurer should enter the Orders received or issued in a register in Form A. G. P. T.-301. This register should be placed before the Gazetted Officer (see Article 143) for his initials whenever an entry is made therein.

#### **Stock Register in Branch Audit Offices.**

148. A stock register, in Form A. G. P. T.-301, should be maintained to account for the British Postal Orders received and issued by the Audit Office. This register should be posted, as regards receipts, from the invoices referred to in Article 145 and as regards issues, from the invoices referred to in Article 150. The register should be placed before the Gazetted Officer for his initials whenever an entry is made therein.

NOTE.—British Postal Orders received from the central stock should be counted in the presence of the Gazetted Officer, who will conduct a test check of the counting.



### Issues to Postmasters.

**149.** British Postal Orders are issued to Head Post Offices on indents received from the Postmasters. These indents (whether by telegram or otherwise) should be entered in the appropriate columns of the stock register. Cases in which indents for British Postal Orders are made by telegram should be reported to the Head of the Circle when it appears that such telegrams might have been avoided by the exercise of proper foresight.

**150.** The indents received from the Postmasters should, in the first place, be sent to the audit section concerned for verification of the figures as to balance and sale noted by the Postmasters. They should next be submitted to the Gazetted Officer through the Accountant and when orders for supply have been passed, the required number of British Postal Orders should be taken out from the safe and an invoice prepared in triplicate by carbonic process, in Form A. G. P. T.-303. The serial and consecutive numbers of each denomination of Orders issued, should be detailed in the invoice.

**NOTE.**—The Stock should be kept so arranged that the Orders issued may always be from the earliest supply received from the central stock.

**151.** One copy of the invoice should be kept as office copy duly filed with the indent and the other two sent to the Postmaster with the British Postal Orders detailed therein, under registered cover. One of these will be received back with the Postmaster's acknowledgment and should be pasted into a guard file after verification with the entry made by the audit section concerned in the column provided in the stock register prescribed in Article 148.

**NOTE.**—Reminders should be duly issued in cases in which the acknowledgment is not received within a reasonable time.

### Returns of British Postal Orders received in the Audit Office.

**152.** The following monthly returns of British Postal Orders will be received in the Audit Office from Head Post Offices (*vide* Article 372 of the Posts and Telegraphs Initial Account Code, Volume I).

- (1) List of British Postal Orders Sold.
- (2) Abstract of payments of British Postal Orders with the paid Orders.
- (3) Memo. of unsold British Postal Orders in stock.

Soon after the 1st April of each year, a detailed list showing the serial numbers of British Postal Orders in stock will be received from Post Offices (*vide* Rule 383 of the Posts and Telegraphs Manual, Volume VI).

**NOTE.**—If the list of British Postal Orders sold or the Abstract of payments of British Postal Orders for any month is not received in sufficient time to admit of their being audited before the preparation of the Classified Abstracts, the credits or debits in the Cash Account, should be taken to the suspense head "Credit Suspended" or "Debit Suspended", as the case may be.

### Audit of the List of British Postal Orders Sold.

153. On receipt of each list, the total should be checked with the credit afforded in the monthly cash account of the Head Postmaster and the calculation of the value of each class of Orders sold should be verified. The value and poundage should be classified under "Deposits—British Postal Orders".

NOTE.—The rates at which the sterling values of British Postal Orders are to be converted into Indian currency before they are sold or paid are prescribed by the Director-General, Posts and Telegraphs, from time to time.

154. Short or excess credits exceeding annas two in the cash account, of the value of British Postal Orders sold, should be held under objection and adjusted thus :—

The correct value should be credited to the proper head and (a) the amount short realised debited to "Advances Recoverable" in the accounts, (b) the amount realised in excess should be credited to "Fees and Other Receipts—Order Items" in Abstract B. I.—Miscellaneous Revenue, and entered in the inner column of the Objection Book. The items will be removed from the Objection Book on credits on account of (a) and debits on account of (b), being traced. In the case of (b), if a refund can not be made within a reasonable time, the amount will be removed from the Objection Book with the remarks "Removed, purchaser not traceable".

Differences in the British Postal Order accounts of sums not exceeding two annas on account of over-credits and short credits or short payments and over-payments should be treated in the manner laid down in Article 165. These small differences should be accounted for by *per contra* entries in the classified abstract, thus :—

#### (i) *Short credits and over-payments.*

Dr.—Abstract J-V—Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable over-payments.

To Deposits —British Postal Orders.—Cr.

#### (ii) *Over-credits and short payments.*

Dr.—Deposits—British Postal Orders.

To Fees and other Receipts—other items—Cr.

### Audit of the Abstract of Payments of British Postal Orders.

155. The paid lists or abstract of payments should be examined to see :—

- (a) that every entry in the abstract of payments is supported by paid Orders to that value. If a paid Order is not received with the list and its absence is not explained against the entry in the list, it should be immediately called for by telegram ;

- (b) that the full value calculated at the prescribed rate *plus* the value of the British Penny postage or Indian postage stamps, or any, affixed to the face of the Orders to make up broken amounts, agrees with the entries in the abstract of payments,
- (c) that the total number of paid Orders which were issued in India is entered at foot of the abstract, and that it agrees with the total number of Orders stamped "India";
- (d) that the total value of postage stamps, either British, Colonial or India, affixed to the Orders for making up broken amounts agrees with the entries at foot of the abstract of payments;
- (e) that the total amount paid (in rupee currency) as per Abstract, agrees with the charge in the monthly cash account.

NOTE.—The value of half-penny postage stamps and half-anna Indian Postage Stamps affixed to British Postal Orders is not payable, *vide* Rule 19 of the "Rules for Post Masters at Money Order Offices in the United Kingdom" and Rule 389 (a) of the Posts and Telegraphs Manual, Volume VI.

**156.** The paid Orders should be further examined in detail in the following manner :—

- (a) If the amount is paid to a person other than the payee named in the British Postal Order [except as provided in Rule 52 (2) (b) of the Posts and Telegraphs Manual, Volume VIII], the sanction of the Director General, Posts and Telegraphs, for payment, should invariably accompany the Order and the sanction should be quoted on the paid Order before its submission to the Government Security Section (*vide* Article 174).
- (b) If the Order is not genuine, or if the amount has been altered, or if it was payable at another office, or if it has been cut, defaced, mutilated or bears erasures or alternations, the amount thereof should be placed under objection under "Advances Recoverable" and the postmaster asked to recover the amount from the party at fault; the Order should not be included in the return of British Postal Orders paid;
- (c) In case the extra poundage be not realised on an Order paid after currency or if realised by short charge in the list of British Postal Orders paid, the Order should be returned to the postmaster with instructions to have Indian postage stamps for the amount equivalent to poundage affixed on the back of the Order and to re-submit it to the Audit Office. In such cases the full amount of the Order should be placed under objection as "Advances Recoverable".
- (d) The stamps affixed for making up broken amounts should be defaced in the Audit Office, and if they are affixed elsewhere than in the prescribed space on the face of the Order, their value should be recovered from the postmaster concerned. Any payment

exceeding five annas for the value of stamps affixed to make up broken amounts should also be disallowed in audit and recovered.

NOTE 1.—The stamps should not, however, be regarded as defaced when such defacement consists merely in stamp or stamps being encroached upon by a portion of the issuing officer's signature, or by entries made by the payee in filling in or receipting the Order, etc.

NOTE 2.—The procedure out-lined in Article 154 should be followed *mutatis mutandis* in the case of short payments or overpayments exceeding two annas on account of British Postal Orders. For short payments or overpayments not exceeding two annas, see sub-paragraph to Article 165.

157. British Postal Orders repaid to the purchaser are treated in the same way as Orders paid to the payee and are included in the monthly abstract of payments. They should be audited with reference to Rule 395 of the Posts and Telegraphs Manual, Volume VI.

158. If the amount of Orders paid or refunded is irregularly charged in the schedule of unclassified payments, it should be transferred to the abstract of payments of British Postal Orders and the irregularity pointed out to the postmaster concerned.

159. In the case of loss of a paid British Postal Order, a certificate of payment by the paying Postmaster in the form prescribed in Rule 399 of the Posts and Telegraphs Manual, Volume VI, together with the Postmaster-General's letter of authority for its issue should be accepted as a paid Order.

160. The total amount of British Postal Orders paid (less the amount placed under objection) should be classified to the head "Deposits—British Postal Orders".

Postage stamps of the Somaliland Protectorate affixed to British Postal Orders, though expressed in Rupee currency, are not Indian Stamps. They should therefore be classified under the head "British or Colonial Stamps."

#### Audit of the Memorandum of unsold British Postal Orders.

161. The memo. of unsold British Postal Orders in stock in Post offices received with the monthly lists of sales, should be checked by the auditor to see that the opening balance corresponds with the closing balance of the previous month. He should also see that:—

- (i) the supply received, if any, agrees with the entries in the register prescribed in Article 148; he will then fill in the column provided for "Entries to be made by the audit section" in the register,
- (ii) the sales agree with the corresponding entries in the list of sales;
- (iii) the balance of Orders shown as in stock under each denomination agrees with the total of the numbers shown against the heads "Orders unsold in Head Office" and "Orders unsold in Sub-offices" under that denomination.

After an arithmetical check, the memo. together with the sale list should be filed with the cash account.

**NOTE.**—The memorandum should be carefully examined to see whether Postal Orders are unnecessarily locked up in any office and if so, a portion of the stock should be recalled at once.

#### **British Postal Orders transferred from one office to another.**

162. British Postal Orders transferred for sale from a Head Office which keeps a stock, to one which does not, are shown in the Memo. of unsold Orders as a deduction. In dealing with these Orders, the following procedure should be observed :—

- (a) The auditor of the supplying office will see that the requisitions for the Orders are received with the memo., and that the numbers and denominations of the Orders supplied, agree with those indented for.
- (b) He will then enter the Orders transferred, in the register prescribed in Article 163 and after verification, will file the requisition with the Memo. of unsold Orders to which they appertain.
- (c) In the monthly statement of unsold Orders (*vide* Article 175) the net balance after deduction of the Orders transferred, should be shown.
- (d) Orders shown as sold in the invoices received in the office at the time the monthly statement is prepared (*vide* Article 173), should be entered in the balance memo. in red ink by the auditor of the indenting offices against those offices, but excluded from the total Orders not sold or in transit being shown in black ink and included in the total with a red ink note in the margin, indicating the name of the office by which they were supplied. In the latter case, the auditor will make the entries from the register prescribed in Article 163.
- (e) The auditor of the indenting office will see that the invoice of the Order transferred for sale has been received with the first cash account in which the value thereof has been credited, and that the value has been noted therein in the columns provided for the purpose in cases in which the sale has been effected.
- (f) He will then acknowledge the Orders sold in the register prescribed in Article 163 and show the sale in the statement of sales (Article 173) against the Office by which it was effected.

**NOTE.**—It should be noted that Post Offices which do not keep any stock can procure British Postal Orders from other Offices when they receive applications from intending purchasers (see Rule 385 of the Posts and Telegraphs Manual, Volume VI).

1	Supplying Office.
2	No. and date of requisition.
3	Total number supplied.
4	Denomination of British Postal Orders supplied.
5	Stock of the month from which deducted.
6	Initials of the auditor of the Supplying Office.
7	Receiving Office.
8	Date of sale.
9	Total number of Orders sold.
10	Denomination of Orders sold.
11	Initials of auditor of the receiving post office.
12	Description of unsold Orders
13	Signature of Accountant and Gazetted Officer.

NOTE.—All unsold Orders returned to the Audit office and found unfit for re-issue should be treated as spoilt (*vide* Article 170).

### Objections.

**165** The procedure for raising, communicating and adjusting objections detected in course of audit and maintenance of Objection Books, etc., will be found in Chapter 20 of the General Audit Code (see also Article 463 *ibid*).

Differences in the British Postal Order accounts of sums not exceeding two annas on account of over-credits and short-credits or shortpayments and overpayments need not be included in the Objection Book. They should nevertheless be included in the Objection Statement with a warning to the Postmaster to avoid such irregularities in future. Over-credits or shortpayments on British Postal Orders not exceeding two annas should be noted in a register in Form A. G. P. T -414 for each Postal Circle and the total amount adjusted by monthly transfer entries to the credit of 'Fees and other Receipts—Other items' in Abstract B.—Miscellaneous Revenue by debit to 'Deposits—British Postal Orders'. Short-credits or overpayments on British Postal Orders should be noted in a separate register in Form No. S Y.-265. The total amount will be adjusted monthly by debit to 'Abstract J-V-Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable overpayments' and credit to 'Deposits—British Postal Orders'. The two registers should be submitted monthly to the Gazetted Officer in charge through the Senior Accountant for review. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster's special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster's carelessness.

### British Postal Orders lost or stolen.

**166.** On receipt of a report of the loss or theft of British Postal Orders (*vide* Rule 384 of the Posts and Telegraphs Manual, Volume VI), the bundle of British Postal Orders paid in the month in which the loss is reported to have occurred, should be examined to see whether the missing Orders have been paid. If not, the fact should be brought to the notice of the Head of the Circle, so that the latter may issue instructions to all postmasters prohibiting their payment. If the payment is traceable, the Orders should be examined and forwarded to the Head of the Circle for an investigation of the fraudulent payment, placing the amount under "Advances Recoverable" in the Objection Book.

On receipt of a similar report in the Government Security Section, an intimation will be sent to the Controller, Money Order Department, General Post Office, London, requesting authority to take credit for India for the value and poundage of the lost Orders in the British Postal Order account.

**167.** Sums recovered on account of lost or stolen British Postal Orders will be credited by postmasters as "unclassified receipts" and should invariably be brought to account under "Fees and other Receipts—Other Items" in Abstract B. I.—Miscellaneous Revenue". Missing British Postal Orders should continue to be shown in the stock until sanction to write off the value and the poundage has been obtained from the British Post Office and communicated to

the Audit Office, which will then direct the Postmaster to remove the Orders from his stock, by an entry in red ink in his list of British Postal Orders sold without including the value of the Orders in the total of the list.

**Disposal of British Postal Orders received from Postmasters, etc.**

**168.** British Postal Orders, when received in the Audit Office, either from Postmasters or from any other source, must be treated as “valuables” and made over to the section concerned through the register of valuables kept in the Record Section. (They should reach the Audit Office in separate registered covers marked “important” in red ink, and when this is not the case, the irregularity should be brought to the notice of the sender.) Such Orders generally fall under one or other of the following classes—

- (1) Spoilt and unclaimed Orders.
- (2) Surplus orders returned to stock.
- (3) Orders remaining unsold for more than four years (Article 172).

**169.** If the serial and consecutive numbers of the Orders returned by Postmasters are detailed in the letter accompanying them or in a separate invoice, the Orders should be checked with the entries in the letter or the invoice and an acknowledgment (in the prescribed form) signed by the Gazetted Officer-in-Charge, sent to the Postmaster. If no details are given in the letter or no invoice is received, a suitable list should be prepared in manuscript and the omission pointed out to the Postmaster.

**Spoilt British Postal Orders.**

**170.** Spoilt Orders received either with the list of Orders sold or otherwise, should be entered in a manuscript register in the form prescribed below which should be submitted to the Gazetted Officer for orders and attestation of entries made therein. Cases which reveal carelessness or rough handling of Orders in Post Offices or where the explanation of Postmasters for treating the Orders as spoilt is not satisfactory, should be reported to the Head of the Circle concerned.

Unclaimed Orders received in the Audit Offices should be sent to the Government Security Section immediately and spoilt Orders and Orders unfit for reissue should be sent with a covering memo. which should be enclosed in a separate service envelope, registered and superscribed “Important” in red ink.

*Register of spoilt British Postal Orders.*

Date of receipt.	From whom received.	Serial No. of Orders.	How spoilt.	Value. £ s. d.	Accountant's remarks.	Gazetted Officer's orders.	Remarks.



171. A register in the same form should be maintained in the Government Security Section for the record of all spoilt and unclaimed British Postal Orders received from the Audit Offices. Unclaimed Orders should be sent to the General Post Office, London, immediately on receipt (by the first available mail), with a forwarding letter in Form No. A. G. P. T.-310, and spoilt Orders received up to the last day of a month should be sent with the Account Current for that month in a statement in Form No. A. G. P. T.-309.

**Returns of British Postal Orders supplied to India more than four years ago.**

172. A list of British Postal Orders supplied to India more than four years ago, will be prepared annually in the Government Security Section and forwarded, in the month of May of each year, to the Branch Audit Offices concerned, which will immediately recall any such Orders lying unsold in the Post Offices. The Orders, when received, together with similar Orders lying in the Audit Office itself, should be entered in a list (in triplicate) and forwarded to the Government Security Section under registered cover. One copy of the list will be retained in the Government Security Section, the second copy with the Orders will be forwarded to the London Office and the remaining copy returned to the Audit Office with acknowledgment of receipt of the Orders.

NOTE.—For Orders returned to London, credit should be taken for their value including postage, in the monthly Account Current referred to in Article 180.

**Monthly Statements of Sales, Payments, and British Postal Orders in stock.**

173. Every Branch Audit Office should compile for each Postal Circle separately, two statements of British Postal Orders sold and paid in each month in Forms A. G. P. T.-304 and 305 respectively, and forward them in time to reach the Government Security Section on the 23rd of the month following that to which the statements relate. The value of paid Orders as well as of postage stamps affixed thereto should be shown separately. The number of Orders paid, which were issued in India, should be noted against each denomination and the number and amount of each class or denomination of Orders should be grouped together and totalled separately.

174. The Audit Office should be careful to see that every paid Order included in the statement is sent with it to the Government Security Section. When it is found absolutely necessary to detain a paid Order on any account, its number and amount should not be included in the statement of paid Orders until the Order is actually despatched. The amount of the Order so detained should be placed under objection under "Advances Recoverable". When the Order is subsequently included in the statement and actually despatched, its amount should be debited to the head "Deposits—British Postal Orders" by credit to the head "Advances Recoverable."

175. The monthly statement of British Postal Orders in stock (Form A. G. P. T.-304) should also be sent on the same date. No details need however be furnished in these statements; only the total number of Orders held in the Audit Office and Post Offices under its jurisdiction should be shown (but see Article 176).

The Audit Office stock to be added to the statement will be that actually held in the Audit Office on the last day of the month to which the statement relates, *plus* any issues which may have been invoiced to Post Offices but which have not been shown as received in the month's accounts incorporated in the statements.

176. The statement for the month of December should be submitted in the following form :—

					Number in each denomination.
Last year's stock	..	..	..	..	..
Received from Central stock	..	..			..
					<hr/>
			Total		.
Deduct—					
British Postal Orders sold during the year	..	..	..	..	..
British Postal Orders spoilt	..	..	..	..	..
British Postal Orders returned to the Central stock	..	..	..	..	..
					<hr/>
Total No. of British Postal Orders at the close of the year					
In the Audit Office	..	..	..	..	..
In Post Offices in Circle	..	..	..	..	..
In Post Offices in Circle	..	..	..	..	..
In Transit	..	..	..	..	..
					<hr/>
			Total	..	<hr/>

177. The "total" of each statement must be proved by the Accountant in charge of the audit section concerned. He should see:—

- (i) that the "sterling value" (including poundage) is correct, and
- (ii) that the total amount converted into "Indian currency" at the prescribed rate is correct.

178. Before the statements referred to above are despatched, the transactions of the month should also be communicated in advance by means of a telegram worded as follows, so as to reach the Government Security Section by the 16th of every month :—

Postal Orders (month of transaction) issued (total number and double the figure as a check) pounds—shillings—pence—  
paid (total number and double the figure as a check) pounds  
—shillings—pence—.

### Account Current with London.

**179.** On receipt of the Telegraphic advice of British Postal Order figures from the Audit Officers (Article 178), the Deputy Accountant General, Posts and Telegraphs, Calcutta (Government Security Section), will send an advice by a registered Express letter to the Presidency Postmaster, Foreign Post Section, Ballard Pier Station so as to reach him positively by the 25th of each month, informing him of the amount of British Postal Order and Savings Bank remittances due to the United Kingdom for incorporation in the monthly General Account between Indian Post Offices and Post Offices in England, rendered by the Presidency Postmaster, Bombay

**180.** On the first mail day of each month, an Account Current (Form No. A. G. P. T.-306), showing the known sales of the second preceding month and the value of the stock of British Postal Orders remaining with the Indian Post Office, is despatched to the General Post Office, London. In this account are included the sales of the third preceding month omitted from the previous Account Current and all the known sales of the month to which the Account Current relates. As a necessary preliminary to the preparation of this Account, the statements of sales and stock for each Postal Circle received from the Branch Audit Offices should be consolidated by the Government Security Section in Form No. A. G. P. T.-304.

The total of the account should be checked and verified and the account scrutinised to see:—

- (i) that the sterling value (including poundage) is correct, and
- (ii) that the "rupee currency" has been converted into sterling according to the prescribed rate of exchange.

**NOTE**—To the stock reported by the Audit offices should be added that held by the Treasurer of the Calcutta General Post Office on the last day of the month for which the account is rendered.

**181.** The prescribed entries on the two sides of the Account Current provide for—

On the Debit side—

- (i) The gross value (including poundage) of British Postal Orders "remaining unsold" in the previous account.
- (ii) The gross value (including poundage) of British Postal Orders (if any) received from London.
- (iii) Value of Indian postage stamps affixed to British Postal Orders paid in the United Kingdom.
- (iv) Imprests repaid for Savings Bank transfers.

On the Credit side—

- (v) British Postal Orders paid in India including value of British or Colonial postage stamps.

- (vi) The gross value (including poundage) of spoilt British Postal Orders forwarded to the Comptroller and Accountant General, General Post Office, London.
- (vii) Allowance for the issue and payment of British Postal Orders at £2 per 1,000.
- (viii) Imprests received for Savings Bank transfers.
- (ix) Remittance to London on account of—
  - (a) British Postal Orders, *viz.*, the balance in favour of the British Post Office, being the amounts realised by sale of British Postal Orders *minus* the amounts paid and the commission due to India.
  - (b) Savings Bank transfers, *viz.*, the balance in favour of the United Kingdom or India, being the difference between the amount of Savings Bank accounts transferred out of India and the amount of Savings Bank accounts transferred to India.
- (x) The gross value (including poundage) of British Postal Orders remaining unsold with the Post Offices in India, being the amounts reported by the Audit Offices *plus* the amount of Central Stock with the Treasurer, Calcutta General Post Office.
- (xi) Special entries (in manuscript) with full particulars of each item.

NOTE 1.—The detailed statement of unsold British Postal Orders (appended to Form A. G. P. T.-308) should be furnished with the Account Current for the month of December of each year, the total number and the estimated value thereof being exhibited in lump in the Account Current for the other months of the year

NOTE 2.—British Postal Orders which have been lost or stolen from offices in India must be considered as remaining in stock until authority is received from the General Post Office, London, for credit being taken to India for their value and poundage.

NOTE 3.—In the event of a lost or stolen British Postal Order finding its way to the United Kingdom and being paid there, credit for its value (including poundage) should be given to the British Post Office in the Account Current by transfer from "Commission on British Postal Orders". The item should be shown on the Debit side of the Account Current with full particulars.

181-A. (a) For the amount of British Postal Orders sold and for other special items for which credit is due to the United Kingdom, a monthly adjustment will be made by the Government Security Section debiting the head "Deposits—British Postal Order remittances" and crediting the head "Account between England and India, His Majesty's Imperial Government, Postal and Money Order transactions with United Kingdom adjustable in England". In making this adjustment, the sterling amount payable to the United Kingdom should be converted into rupee currency at 1s. 6d. per rupee. The difference between the total sterling amount converted at the rate of 1s. 6d. per rupee and the amount arrived at according to the rate prescribed by the Director General, Posts and Telegraphs, for the month or

if different rates were in force during the month, according to the rate in force for the greater part of the month, should be adjusted to the head "Deposits—British Postal Order remittances" by a *per contra* credit or debit to the head "Exchange on Remittance Account—Postal and Money Order transactions". The total amount chargeable to the head "Deposits—British Postal Order Remittances" should be the amount arrived at according to the rate prescribed by the Director General, Posts and Telegraphs.

(b) Similar adjustment crediting "Deposits—British Postal Order Remittances" and debiting "Accounts between England and India, His Majesty's Imperial Government, Postal and Money Order transactions with United Kingdom adjustable in England" and taking the difference caused by the difference in rates to the head "Exchange on Remittance accounts—Postal and Money Order transactions" should be made for the amounts on account of British Postal Orders paid, commission and other items.

(c) At the end of the year, a statement showing progressive figures under "Deposits—British Postal Orders" and "Deposits—British Postal Order Remittances" for each Circle up to March (Preliminary) will be forwarded by the Central Office to the Deputy Accountant General, Posts and Telegraphs, Calcutta. The Audit Offices should, then, be asked to settle and adjust discrepancies found, if any, between the figures under "Deposits—British Postal Orders" as shown in the statement and the totals of the figures shown in the monthly statement sent by them. If the total of the credit under the heads "Deposits—Branch Postal Orders" and "Deposits—British Postal Order Remittances" is found to differ from the total of the debit under the same heads, due to different rates having been applied in the same month and adjustment thereof, made at the rate obtaining for the greater part of the month, the difference should be adjusted in the accounts for March Final by a credit or debit as the case may be, to the head "Exchange on Remittance Accounts—Postal and Money Order transactions".

#### **Annual Statements to the Director General, Posts and Telegraphs.**

182. Annual consolidated statement of British Postal Orders sold and paid in India should be sent to the Director General, Posts and Telegraphs, in Forms Nos. A. G. P. T.-307 and 308 on or before the 10th June every year. For the compilation of these statements two registers should be maintained in the Government Security Section, one for recording the monthly sales and the other for recording monthly payments of British Postal Orders in each Postal Circle in India.

#### **Verification of Stock.**

##### *Central Stock.*

183. The Central Stock should be verified annually by a Gazetted Officer of the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta.

who is not in charge of the G. S. Section, with the assistance of 3 or 4 auditors. This verification will generally be done in July or August when the balance of the Stock is at its lowest, i.e., just before receipt of the first half-yearly supply from London.

A certificate of completion of the verification should be sent to the Accountant General, Posts and Telegraphs within a week after the verification is finished. The office of the Accountant General, Posts and Telegraphs, should watch that the certificates are duly received. Certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

#### *Audit Office Stock.*

**184.** On the last day of each month, the stock of British Postal Orders in the Branch Audit Offices should be verified by the Gazetted Officer concerned with the balance shown in the stock register which will be initialled by him and a certificate of verification signed by him will be appended to the monthly statement forwarded under Article 175 to the Government Security Section.

**184-A.** In addition to the usual monthly verification (*vide* Article 184), an independent verification of the stock of British Postal Orders in the Branch Audit Offices should also be carried out annually on the 31st March of each year either by the Deputy Accountant General himself or by one of his Gazetted Officers unconnected with the British Postal Orders work, and a certificate to that effect forwarded to the Accountant General, Posts and Telegraphs so as to reach his office by the first week of April. The office of the Accountant General, Posts and Telegraphs, should watch that the certificates are received by the due date. Certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

#### *Stock in Post Offices.*

**185.** At the time of inspection, Superintendents and Inspectors of Post Offices are required to send to the Audit Office a memorandum showing the balance at the end of the month preceding his visit, subsequent receipts and sales up to the date of his visit, and the balance in stock on that date, with a certificate that the stock and accounts were found to agree (*vide* Rule 239 of the Posts and Telegraphs Manual, Volume VIII). The memorandum should be checked with the return of the corresponding period received from the Post Office, any discrepancy being reported to the Head of the Circle.

#### **Irish Postal Orders.**

##### *Audit of the Abstract of payment of Irish Postal Orders.*

**185-A.** On receipt of each list of payment, the total should be checked with the charge appearing in the monthly cash account of the Head Postmaster.

The paid orders should be subjected to audit as prescribed for British Postal Orders paid in Articles 155 and 156. The charge should be classified under 'Deposits—Irish Postal Orders'.

After proving the total of the lists with the charges booked in the accounts, the paid orders of all the Circles should be mixed and sorted by denominations and by the rate of exchange at which they were paid. The sorted orders should then be forwarded to the Deputy Accountant General, Posts and Telegraphs, Nagpur, by registered post, accompanied by a covering statement in Form A. G. P. T.-305 with headings suitably altered, so as to reach him by the 28th of the month following the month of account.

**185-B.** In the Nagpur Audit Office the paid orders received from the other Audit Offices will be mixed with those originally received from offices under its audit jurisdiction and which have been subjected to audit as mentioned in Article 185-A. A consolidated statement showing the charges appearing in the accounts of the Indian Posts and Telegraphs Department should be prepared. This statement and the paid orders will be despatched to the Presidency Postmaster, Bombay, by the 3rd of the second month following the month of account with a covering letter intimating the number of Postal Orders (by denomination) and the amount in sterling due from the Irish Free State for incorporation in the Money Orders Exchange Account between the Indian Post Offices and the Irish Free State.

The credit for the amount claimed should be watched by the Money Order Section of the Nagpur Audit Office

### BRITISH PENNY POSTAGE STAMPS.

**186.** The stock of British Penny Postage Stamps is obtained from the London Post Office through the Director-General, Posts and Telegraphs. The stock is kept in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta (Government Security Section), and supplies are made from the stock from time to time to the Postal Audit Offices which supply the stamps to the Post Offices authorised to hold stock of such stamps (*vide* Article 159 of the Posts and Telegraphs Initial Account Code, Volume I). The supply received from the London Post Office and the issues to the Audit Offices are entered in a register in Form No. A. G. P. T.-311, which is placed before the Gazetted Officer whenever an entry is made in it.

**187.** Indents for British Penny Postage Stamps should be prepared and forwarded to the London Post Office through the Director General in December and whenever the balance in the stock falls to or below 350 sheets.

**188.** As soon as a supply is received, the Presidency Postmaster, Bombay, is instructed by the Director General to afford credit in his General Account with the London Post Office, for the face value of the stamps

On receipt of the General Account in the Central Office, the amount should be adjusted by credit to the head "Account between England and

India, etc.” (the sterling amount being converted at the rate of Rupee 1=1s. 6d.) and debit to the head “Deposits—Penny Postage Stamps” (the amount being converted at the rate of one anna for each penny), the difference between the two being adjusted under “Exchange on Remittance Accounts—Postal and Money Order transactions.”

189. When a supply is made to a Post Office by the Audit Office, an intimation of the supply is sent to the Postmaster in Form No. A. G. P. T.-313. The Postmaster credits the face value of the stamps in the schedule of unclassified receipts (*vide* Article 159 of the Posts and Telegraphs Initial Account Code, Volume I).’

The Audit Office should classify the credit under “Deposits—Penny Postage Stamps.”

NOTE—When the stamps are sold to the public, no credit appears in the Post Office accounts as the stamps are treated as part of the cash balance of the office (*vide* Article 159 of the Posts and Telegraphs Initial Account Code, Volume I).

189-A. In order to watch that credits for the value of the British Penny Postage Stamps supplied to the Postmasters are duly afforded by them in their monthly cash accounts, the cashier in each audit office should prepare a statement, separately for each Postal Circle showing the total value of the stamps supplied to each Postmaster during the month and send it by the 5th of the month following the month of supply to the Postal Accounts Section concerned for verification of the credits and return under the initials of the Gazetted Officer in charge by the 10th of the month following the month of supply. The cashier should watch the return of these statements by the Postal Accounts Sections and submit them to the Chief Audit Officer in charge for review not later than the 15th of the month following the month of supply. Any discrepancy or non-credits found as a result of the verification should be immediately noticed by the cashier to the Postmaster concerned.

190. On the last day of each month, the Stock of British Penny Postage Stamps in the Branch Audit Offices should be verified by the Gazetted Officer concerned with the balance shown in the stock register which will be initialed by him. At the beginning of every month, each Audit Office should submit to the Government Security Section of the Office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, a statement in Form A. G. P. T.-312 showing the balance of British Penny Postage Stamps of each denomination held in Stock upto the end of the previous month with a certificate of verification appended to the statement.

190-A. In addition to the usual monthly verification (*vide* Article 190) an independent verification of the stock of British Penny Postage Stamps in the Branch Audit Offices should also be carried out annually on the 31st March of each year either by the Deputy Accountant General himself or by one of his Gazetted Officers unconnected with the British Penny Postage



Stamps work and a certificate to that effect forwarded to the Accountant General, Posts and Telegraphs, so as to reach his office by the first week of April. The office of the Accountant General, Posts and Telegraphs, should watch that the certificates are received by the due date. Certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

**190-B.** An independent annual verification of the central stock of the British Penny Postage Stamps kept in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, should be carried out on the 31st March of each year, on the lines of the annual verification of the Branch Office stock (*vide* Article 190-A), and a certificate to that effect forwarded to the Accountant General, Posts and Telegraphs, by the first week of April. The method of scrutiny by the Central Office of the certificates of verification of the Branch Office stock applies *mutatis mutandis* to the scrutiny of the certificate of verification of the Central Stock, *vide* Article 190-A.

**191.** When a charge appears in the accounts of a Post Office on account of damaged or useless British Penny Postage Stamps (*vide* Article 159 of the Posts and Telegraphs Initial Account Code, Volume I), the Audit Office will admit it on the authority of the Postmaster General, adjust it to the head "Abstract J-V-Miscellaneous Postal Expenses—Losses, etc." and forward the stamps to the Presidency Postmaster, Bombay.

When credit for the amount as claimed by the Presidency Postmaster through his General Account with London appears in the accounts received in the Central Office, it should be adjusted to "Abstract B. I.—Fees and Other Receipts—Other Items."

#### INTERNATIONAL REPLY COUPONS.

**192.** The stock of these coupons is kept in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta (Government Security Section). Early in March and September each year, a requisition for the supply of International Reply Coupons estimated to last for six months should be forwarded by the Deputy Accountant General to the International Bureau for compliance. Supplementary requisitions marked "Urgent" may however be sent at any time of the year, if necessary.

**193.** On receipt of the stock of coupons, the amount on account of the printing charge as intimated by the Bureau should be communicated to the Presidency Postmaster, Bombay, asking him to arrange for payment of the amount to the Bureau and charge it in his schedule of unclassified payments. This charge should be classified by the Audit Office (Nagpur) to the head "Miscellaneous—Other Charges" in Abstract J-VI.

**194.** The coupons are supplied to Head Post Offices by the Deputy Accountant General, on requisitions received by him direct. A stock register in Form No. A. G. P. T.-314 is maintained in the Government Security Section in

which the number of coupons received from the International Bureau and the supplies made to Post Offices are noted. The register should be submitted to the Gazetted Officer in charge, each time an entry is made in it. Every supply to a Postmaster is also intimated in Form No. A. G. P. T.-315 to the Audit Office concerned for verification of the credit of the value of the coupons in the cash account.

**194-A.** An annual verification of the stock of International Reply Coupons held by the Deputy Accountant General, Posts and Telegraphs, Calcutta, should be carried out on the 31st March of each year either by the Deputy Accountant General himself or by one of his Gazetted officers unconnected with the International Reply Coupons work and a certificate to that effect forwarded to the Accountant General, Posts and Telegraphs, so as to reach his office by the first week of April. The office of the Accountant General, Posts and Telegraphs should watch that the certificate is received by the due date. If the certificate shows no discrepancy it may be filed immediately but if any discrepancy is noticed, it should be filed only after the discrepancy is settled.

**195.** When a supply is made to a Post Office, the value of the coupons, at the rate of four annas each, is credited in the cash account (*vide* Article 160 of the Posts and Telegraphs Initial Account Code, Volume I). The Audit Office should adjust the credit under the head "Deposits—International Reply Coupons issued".

**196.** When coupons are sold to the public by the Postmaster, no credit appears in his accounts, as the amount is treated as part of the cash balance. The number of coupons sold every month is, however, shown in the Memorandum of Reply Coupons at foot of the monthly cash account. From this the Audit Office should calculate the Post Office profit at six pies per coupon sold and adjust it to the head "Fees and Other Receipts—Other Items" in Abstract B.-I., by *per contra* debit to the head "International Reply Coupons issued."

**197.** The holder of a coupon is entitled to exchange it for Indian postage stamps of the value of three annas and six pies only. The value of coupons exchanged in a Post Office is charged in the schedule of unclassified payments. The charge should be supported by the coupons themselves as vouchers and should be adjusted in the Audit Office under the head "Deposits—International Reply Coupons exchanged."

**198.** The coupons exchanged are forwarded monthly by the Audit Offices to the Government Security Section, with a memorandum in Form No. A. G. P. T.-316, showing their number and value. All the coupons exchanged in a calendar year are forwarded by the Deputy Accountant General, Posts and Telegraphs, Calcutta, to the countries of issue with a statement showing the number and value of the coupons. All these statements must be despatched by the 15th March of the year following that to which the transactions relate.

**NOTE.**—The due date of the monthly submission of the Memorandum of International Reply Coupons exchanged is the 25th of the next month.

199. An annual Account Current in Form No. A. G. P. T.-317 is received from and rendered to each Foreign Administration concerned (see Article 198) showing (a) the number and value of coupons at 37½ cents per coupon issued by the Administration and exchanged by India, (b) the number and value of coupons issued by India and exchanged by the Administration, and (c) the difference between the values shown under (a) and (b). This difference, represents the amount payable either by or to India which is adjusted generally by cash remittance.

NOTE.—The difference is in favour of or against India, according as (a) is greater or less than (b).

200. When the amount is payable by India, the Presidency Postmaster Bombay, should be advised of the amount and asked to make arrangement for payment. When the amount is payable to India, a bank draft is received which should be sent to the Presidency Postmaster, Calcutta, for encashment and credit in his accounts. In the case of remittance from India, the charge should be debited to the head "Deposits—International Reply Coupons issued", and when the remittance is in favour of India, the credit should be taken to the head "Deposits—International Reply Coupons exchanged."

When, however, the difference does not exceed 25 francs (100 cents = 1 franc), the debtor Administration is exempted from payment. The balance in such cases being a loss or gain to India, should be adjusted by debiting the head "Miscellaneous—other charges" or crediting the head "Fees and Other Receipts—Other Items" by *per contra* credit to the head "International Reply Coupons exchanged" or debit to the head "International Reply Coupons issued."

201. As regards the number of coupons common to both (a) and (b) referred to in Article 199, their value at three annas and six pies per coupon should be adjusted by a transfer entry debiting the head "International Reply Coupons issued" and crediting "International Reply Coupons exchanged". A similar adjustment should also be made in respect of coupons which are both sold and exchanged in India.

202. Spoilt Reply Coupons received, should be destroyed in the presence of the Gazetted Officer in charge of the Government Security Section and noted in the stock register as such. The postmaster should either be authorised to write off the value of the coupons by a charge in the schedule of unclassified payments or should be supplied with fresh coupons of equal value to replace the stock. When the amount is written off, the Branch Audit Office concerned should be instructed to debit the amount by deduction from the credit under "International Reply Coupons issued." When a fresh supply is made in lieu of the spoilt coupons no adjustment is necessary.

NOTE.—All such cases should be reported to the Head of the Circle concerned.

### IMPERIAL REPLY COUPONS.

**203.** Imperial Reply Coupons are obtained on requisition from the London Post Office. The procedure to be observed in connection with the custody, stock, supply, sale, verification of stock, etc., of these coupons is the same as that for International Reply Coupons. (See Article 161 of the Posts and Telegraphs Initial Account Code, Volume I).

**204.** When a supply is made to a Post Office, the value of the Imperial Reply Coupons, at the rate of two annas and six pies each, is credited in the Cash Account (*vide* Article 161 of the Posts and Telegraphs Initial Account Code, Volume I). The Audit Office should adjust the credit under the head "Deposits—Imperial Reply Coupons."

When the Coupons are sold to the public by the Postmaster, no credit appears in his accounts. The number of coupons sold every month is indicated in the Memorandum of Reply Coupons at foot of the monthly cash account and necessary adjustment is made in the Audit Offices by debit to the head "Deposits—Imperial Reply Coupons" and credit to the head "Abstract B-I—Fees and other receipts—other items." The balance under the debt head represents the value of the coupons held in stock in the Post Offices and is verified at the end of each year by the Audit Offices in reference to the number of coupons in stock in the Post Offices as indicated in the cash balance report. The coupons exchanged by the Post Offices are charged to the head "Abstract B-I—Fees and other receipts—other items" when the charge appears in the schedule of unclassified payments of the Post Offices.

**205.** No settlement of claims with foreign countries in respect of Imperial Reply Coupons is to be made except in the case of the Irish Free State where the coupons are exchanged and not issued. For accounting purposes, the coupons exchanged in the Irish Free State are bulked with International Reply Coupons.



## CHAPTER 4.—CASH CERTIFICATES.

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### General Principles.

**206.** To facilitate the investment of small amounts, the Government of India have instituted a series of Postal Cash Certificates having face values of Rs. 10, 20, 50, 100, 500 and 1,000 which can be purchased at all Post Offices doing Savings Bank business for amounts fixed by the Government of India from time to time. The certificates are redeemable on presentation, but if redeemed within one year of purchase, only the purchase price is payable by Government. After one year, the redemption value increases through accumulation of interest with the expiry of every 3 complete months and reaches the face value at the end of 5 years from the date of purchase.

NOTE.—Cash Certificates issued prior to the 3rd April 1929 may be retained for a further period of five years after the date of original maturity at varying rates of interest as prescribed in Post and Telegraph Guide.

**207.** The rules governing the issue and discharge of Cash Certificates are contained in the "Post Office 5-year Cash Certificate Rules" issued by the Government of India. Rules prescribing the procedure to be followed in Post Offices in dealing with cash certificates, as also the rules and instructions issued by the Auditor General, for the accounts to be maintained by Post Offices and to be rendered by them to the Audit Offices will be found in Chapter 9 of the Posts and Telegraphs Manual, Volume VI.

**208.** Weekly journals of Cash certificates issued and discharged, are received in the Audit Office from the Post Office, the journal of discharges being supported by the certificates themselves. The amounts of these journals representing the receipts from the sale of cash certificates and the payments made on their redemption are also included in the monthly cash accounts submitted to the Audit Office. The procedure followed in the audit of these accounts and of the discharged certificates is described in this chapter.

**209.** The main check in the Audit Office is conducted through a Stock and Issue Register of Cash Certificates which is maintained in Form A. G. P. T.-323. One Register should be used for each Head Post Office and for each denomination of all series. In it is entered, from the Post Office issue Journal against the number of the Cash Certificate, the week (month ; year) of issue of each certificate. Similarly when a Cash Certificate is discharged and received in the Audit Office, the interest included in the amount paid to the holder is checked with reference to the dates of issue and discharge as noted on the certificate and the week (month ; year) of discharge is noted in the stock and issue register against the number of the Cash Certificate in the Column provided for the purpose. The total amounts of issues and discharges are verified each month with the figures in the Detail Book, *vide*, Article 247.

**209-A.** The outstanding credit under the head "Post Office 5-year Cash Certificates" which is kept open in the books for 13 financial years for each series will thereafter lapse to Government and be transferred to Government, through the Exchange Account with the Accountant General, Central Revenues. This arrangement does not preclude the subsequent payments should claims arise.

*Sectional arrangements, distribution of Work, etc.*

**210.** The Cash Certificate section of each Audit Office is divided into the following groups. :—

- (1) Audit groups.
- (2) Accounting group.
- (3) Miscellaneous group.

(1) Each of the Audit groups is entrusted with the audit of journals of Cash Certificates issued and discharged, Posting in Stock and Issue Registers, Proving, Issuing objections, etc., and other miscellaneous work mainly connected with audit.

(2) The auditor will be generally responsible for the work of the item workers in his group. He will distribute in consultation with the Accountant, the journals of Cash Certificates issued and discharged and other returns evenly among the item workers in the group and see that the work turned out daily by each item-worker does not fall below the prescribed rate per man. He will check every item in the objection statement or half marginal reference prepared by the item-worker with the original documents, initial them and submit the objection statement or half marginal reference to the Accountant who will pass the half marginal reference and submit the objection statement to the Gazetted Officer. He will receive the inward letters and replies to the objection statements and half-marginal references and deal with all correspondence relating to his group. He will see that the stock and Issue Registers are properly maintained and that the journals and invoices are properly filed by the item-workers. He will also check the postings and audit of at least 10 transactions every day, the entries in the registers, lists and vouchers being initialled by him. Initials should always be dated. The result of his review should be noted in a diary (A. G. P. T.—444) which should be submitted daily to the Accountant and weekly to the Gazetted Officer.

#### *Reviewers.*

(b) As soon as the audit of the weekly journals have been completed, at least 10% of the offices should be subjected to a cent per cent review extending to all stages of work including Proving, Classification, etc. The result of the review done by the Reviewers, should be noted in the Diary in Form No. A. G. P. T.-444 which should be submitted daily to the Accountant and weekly to the Gazetted Officer-in-charge.

The Reviewer should also assist the Auditor generally.

(2) The Accounting group is entrusted with the following duties and will be in charge of an Auditor:—

- (a) Posting and preparation of the Circle Balance Sheets,
- (b) Preparation of all statistics and interest liability statement,
- (c) Preparation of all periodical statements in respect of Cash Certificates,
- (d) Maintenance of Remittance register,
- (e) All adjustments relating to transfer transactions and reconciliation with Detail Book figures.

(3) The Miscellaneous group consists of auditor or auditors who are independent of each other. Each auditor is entrusted with one or more items of work mentioned below:—

Issue of declarations, warrants of payment on Safe Custody acknowledgments, maintenance of objection book, etc.



When a Cash Certificate is requisitioned for (*vide* Article 77 of the Posts and Telegraphs Initial Account Code, Volume I), a check slip in form A. G. P. T.-319-A showing the particulars of the Cash Certificate as well as the number and date of the letter with which it is sent, will be prepared, signed by the Auditor in charge and placed in the bundle. The particulars of the certificate will also be entered in a register (Form No. A. G. P. T.-319) and the date of despatch and receipt of the certificate noted therein. The register should be reviewed monthly by the Accountant.

211. The Accountant will see that the Auditors perform their duties properly. He should review the accounts of at least two offices every month with a view to see that the reviewers have done their work properly and also test-check 10% of the classification slips. He should also examine the different kinds of work done in the section and note in his diary (Form No. A. G. P. T.-444) the result of the examination and the mistakes found, and submit it to the Gazetted Officer weekly.

NOTE.—In the case of the Madras Audit office where there is no Accountant for the Cash Certificate Section, the review should be done by the Auditor-in-charge of the Section.

#### Due dates.

212. The following due dates should be observed for the completion of the several items of work (including issue of objection statements and audit memoranda):—

	Weeks.
(a) Audit and posting of Cash Certificate Journals.	<div> <div>1st week—25th of the month.</div> <div>2nd week—30th of the month.</div> <div>3rd week—5th of the following month.</div> <div>4th week—11th of the following month.</div> </div>
(b) Proof of posting.	20th of the following month.
(c) Preparation of classification slips.	17th of the following month.
(d) Completion of posting of Registers of issues and Discharges (Forms Nos. A. G. P. T.-337 and 338).	25th of the following month.
(e) Agreement of the proof sheets with the figures in Forms A. G. P. T.-337 and 338.	5th of the 2nd month following.
(f) Preparation of the Circle Balance sheet (Form No. A. G. P. T.-339) and agreement of broad sheet of balances.	10th of the 2nd month following.
(g) Annual verification of balances.	31st October.

**Progress Report.**

**213.** The statement (Form No. A. G. P. T.-320) on the state of work of each member of the section should be prepared by the auditors concerned, reviewed by the Accountant daily and submitted every Monday to the Gazetted Officer in charge with such comments as the Accountant may think necessary.

**214.** *Nil.* .

**Accounts submitted by Post offices.**

**215.** As laid down in Chapter 9 of the Posts and Telegraphs Manual, Volume VI, each Head Post Office sends the following documents duly entered in a Cash Certificate Voucher list (Form C. C. 31-A) to the Audit Office, on the dates mentioned therein :—

- (a) Weekly Journals of Cash Certificates issued (sold) and delivered to investors —Forms C. C. 18 and 18 (S).
- (b) Weekly Journals of Cash Certificates discharged (Paid)—Forms C. C. 19 and 19 (S).
- (c) Weekly Journals of discharges (*i.e.*, repayments) of cash certificates in Safe Custody [Forms C. C. 19 and 19 (S), with headings suitably altered].
- (d) Weekly summaries of Cash Certificates—issued and discharged (Forms C. C. 30 and 31).

**NOTE 1.**—Journals similar to (a), (b) and (c), are also sent by each Sub-Post Office through its Head Office.

**NOTE 2.**—A separate Journal is required for each denomination of Cash Certificates issued and discharged.

**NOTE 3.**—Immediately on receipt, the bundles should be carefully examined by a senior auditor at the discretion of the Accountant, to see whether all the returns and Vouchers mentioned in the Voucher list (Form C. C. 31-A) have been received correctly. If there is any discrepancy, it should be brought to the notice of the Postmaster concerned and settled as early as possible.

**216.** *Nil.* .

**Verification of credits and debits on account of Cash Certificates issued and discharged with the figures in the Cash Account.**

**217.** As soon as the monthly Cash Accounts are received from the Post Offices, the Postal Accounts Section will compile a statement in Form A. G. P. T.-322 showing the amounts credited and debited therein on account of sales and discharges (Principal and Interest) of Cash Certificates, respectively, and send it by the 5th of every month to the Cash Certificate section where the figures will be compared with the amounts shown in the last week's summaries of issues and discharges and steps should be taken to settle or adjust discrepancies, if any (see Articles 247 and 265).

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### Examination of Summaries.

218. The weekly summaries of Cash Certificates issued and discharged (forms C. C. 30 and 31) received with the weekly accounts should be carefully checked by the item-workers with the weekly journals of Cash Certificates issued and discharged. Summaries for the last week of the month should, after check, be made over to the Auditor for posting in the Abstract of Cash Certificates issued and discharged (Form No. A. G. P. T.-337) in respect of issues and in the Register of Discharges (Form No. A. G. P. T.-338) in respect of discharges, *vide* Articles 241-A and 241-B.

### Audit of Journals of Cash Certificates issued.

219. In auditing the Issue Journals, it should be seen that —

- (i) each item in the Journal has an entry number against it, and that these entry numbers run in a consecutive series for each denomination each month, so that the quotation of the entry number and month will at once enable any issue to be traced ;
- (ii) the serial letters are always clearly shown before the serial number ;
- (iii) the issue price has been realised at the prescribed rates ;
- (iv) the totals are correct ;
- (v) the irregularities regarding purchase in excess of the prescribed limit, namely Rs. 10,000, when noticed are pointed out ; and
- (vi) the irregularities in connection with the use of the proper form, when detected, are pointed out.

Any omission or discrepancy should be noted and entered either in an Objection Statement or in a Half-margin Memorandum (see Article 257).

### Audit of Journals of Cash Certificates discharged.

220. The weekly Journals of discharges [Forms C. C. 19 and 19 (S)] should be examined to see :—

- (i) that all the particulars required by the form are given ;
- (ii) that the entry numbers run in a consecutive series for each month ;
- (iii) that each entry is supported by a paid (discharged) Cash Certificate or Safe Custody receipt ; if any voucher is wanting it should be called for, a check slip in form No. A. G. P. T.-319-A being prepared and kept in the proper place ;
- (iv) that the amount shown in the column for “ Interest ” is correct with reference to the dates of issue and discharge of the certificate ; and

(v) that the totals of the journals are correct.

NOTE.—If a discharged certificate is not received with the list, it should be called for through an objection statement

221. In auditing a discharged cash certificate it should be seen :—

- (a) that the payment has been made to the person whose name is shown in the certificate ;
- (b) that the certificate is receipted by the payee for the amount including interest, if any, received by him and that his signature on the reverse of the certificate is dated ;

NOTE 1.—In the case of Cash Certificates issued in joint names, it should be seen that the provisions of the Cash Certificate Rules have been fulfilled

NOTE 2.—It should be seen that a certificate as required by Rule 551 (b) of the Posts and Telegraphs Manual, Volume VI, is furnished in the case of Cash Certificates standing in the name of secretaries, etc., of Funds in their official capacities.

- (c) that, in cases in which the amounts acknowledged by the holders and signatures are in vernacular, the amounts and the signatures have been transliterated into English ;

NOTE.—It should be seen that all the entries on the reverse of the Cash Certificate which are not written in English or Bengali so far as Post offices within the jurisdiction of Calcutta Audit Office are concerned, have been carefully transliterated into English.

- (d) that the Cash Certificate is impressed with the round and oblong money order stamp. If, however, an omission is detected, the Postmaster should be asked to write the word “Discharged” in red ink across it, over his signature with date ;
- (e) that when a Cash Certificate is discharged at an office other than that at which it is registered, the requirements of the Post Office Cash Certificate rules have been complied with ;

NOTE.—In the case of Declarations issued by the Audit Office, it should be seen that they have been paid only after verification by the office (see exception below note 3 of paragraph 4 in rule 557 of Posts and Telegraphs VI).

- (f) that in the case of a deceased investor, proper sanction for payment has been received
- (g) that in the case of a minor holder proper sanction to the payment has been received ;
- (h) that when a minor's holding has been paid at an office other than the office of registration, the cash certificate has been pre-verified by the latter office. If an omission is detected in this respect the Cash Certificate should be got verified by the office of registration.
- (i) that when payment is received by the minor himself the word “ex-minor” is written below his signature on the reverse of the Cash Certificate under the initials of the Postmaster ;

- (j) that payments of Cash Certificates purchased in the name of a teacher out of the amount at his credit in the Teacher's Provident Fund Account, has been made only to the person authorised by the Local Government or administrator controlling the fund ;
- (k) that when the value of a discharged Cash Certificate is paid to a person authorised by the holder a letter of authority is furnished along with the discharged Cash Certificate and that the signature of the messenger also is obtained on the reverse of the Cash Certificate.

Any discrepancies or omissions in any of these respects should be noticed either through an objection statement or through a half-marginal memorandum. A check slip in Form A. G. P. T.-319-A should be prepared and kept in the proper place when a discharged Cash Certificate is sent to a disbursing officer for removal of any irregularity noticed therein.

**NOTE.** As the discharge of Cash Certificates at an office other than the office of issue has to be posted, in the Issue and Stock register of the office of issue, the discharged certificate should be filed with the discharged list of the office of issue for the week of discharge.

#### **Stock and Issue Register of Cash Certificates.**

**222.** As prescribed in Article 209 the Audit office should maintain a set of registers in Form No. A. G. P. T.-323 for each denomination of all series, for each Head Post Office to record the supply, sale and redemption of the certificates. One register in each set should be set apart for each denomination of Cash Certificates and the pages in each register should be numbered and provided with an Index in Form No. A. G. P. T.-324 to show the pages in which each series of Cash Certificates has been entered.

**223.** Blank Cash Certificates are supplied to Post Offices by the Postal Stock Depots and an original copy of the invoice (Form No. C. C-13) superscribed "checked, duplicate on record" under the Postmaster's signature for each supply is sent to the Audit office. On receipt of the original copy the serial number of each Cash Certificate entered in the invoice should be separately entered in the proper column of the Stock and Issue Register for the particular denomination, one line should be reserved for each number and care should be taken that the numbers are entered serially for each denomination. When the invoice has been completely posted in this manner, the word 'Posted' should be entered on it over the dated signature of the poster and the invoice pasted into a guard file, a separate file being maintained for each Head Post Office. The postings of invoices in the Issue Registers should be attested by the Accountant. Similarly when invoices of cash certificates returned to Postal Stock Depots are received from the Post offices with the necessary Certificate as required by Rule 532 (6), of *Posts and Telegraphs Manual—Volume VI*, the numbers in the stock and issue registers should be neatly scored out in red ink by the poster and attested by the Accountant.

224. After the Journals of Cash Certificates issued have been completely checked as prescribed in Article 219, the number of the week, the month (abbreviation) and the year in which each Cash Certificate was sold will be stamped or written in ink in columns 2 and 6 of the Stock and Issue Register against the entry of the number of the Cash Certificate.

225. After the discharged Cash Certificates have been checked as described in Article 221, they should be serially arranged. The date of discharge (week, month and year) should then be posted in the register, as in the case of 'Issues' in columns 3 and 7.

At the time of posting of Discharges in the Stock and Issue Register, the date of issue as shown in the discharged Cash Certificate should be compared with the week of issue as entered in the register. The office of payment should be noted in the Register in the case of Cash Certificates discharged at an office other than that of issue.

226. On completion of posting of an issue or discharge journal in the Stock and Issue Register, the poster will write the words "Posted by (name of the poster)" on the last sheet of the journal signing the entry and dating his signature. Any discrepancy between the serial numbers of Cash Certificates taken up for posting and those entered in the Stock and Issue Register will be reported in a half-margin memorandum.

NOTE.—As the Stock and Issue Registers are very important records, it is essential that entries of particulars should be carefully made. Any corrections to the entries in the Registers should be attested by the Accountant.

### Proof of Posting.

227. After the issues and discharges for a month have been posted in the Stock and Issue Registers, the total number of issues and discharges as posted on each page should be counted and the number entered in the Proof Sheet (Form No. A. G. P. T.-321) in appropriate columns. After the numbers of issues and discharges of all the pages have been entered in the Proof Sheets, they should be totalled and the totals agreed with the figures of issues and discharges shown in the registers in Forms A. G. P. T.-337 and 338 respectively for the month. To facilitate the agreement the details should be worked out in Form A. G. P. T.-321-A. The Proof Sheet should then be handed over to the Reviewer for review in respect of those offices that are reviewed by him. The rest should be placed before the Accountant who should test-check 10 per cent. of the entries at random from the Stock and Issue Registers. Irregularities discovered in the review should be noted in the Diary (see Articles 210 and 211). Similar check should also be exercised in the case of safe custody transactions (*vide* Article 236).

228. }  
229. } *Cancelled.*  
230. }

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**Discharge of Safe Custody Acknowledgments.**

**231.** Cash Certificates cannot with effect from the 1st June 1924 be tendered for safe custody with the Accountant General, Posts and Telegraphs. The procedure for discharge of a cash certificate kept in safe custody before that date is given in Articles 231-A—236.

**231-A.** On receipt of a safe custody acknowledgment together with an application for its discharge, the application should be carefully examined and if it is in order, the acknowledgment should be traced into the Register of Acknowledgments issued in order to verify that it is genuine and that no payment order for the same investment has been previously issued.

**232.** A payment order should then be endorsed on the acknowledgment if it is in order showing the amounts of principal and interest payable as calculated from the date of investment. The date of pre-audit should also be noted in the Register of Acknowledgments.

**233.** The payment order thus endorsed should then be checked with the entries in the register by the Accountant and submitted to the Gazetted Officer who, after necessary examination, will sign the payment orders and initial the register.

The acknowledgments together with the application should then be sent to the Postmaster through the Home Audit Office of the paying Post Office, in case it is situated in the jurisdiction of some other Audit Office, for payment with a forwarding letter in Form No. A. G. P. T.-326 which will be returned by the Postmaster with his reply.

**234.** When a safe Custody acknowledgment is discharged its number and value will automatically enter into the accounts.

**235.** Postmasters send weekly journals showing full particulars of the payments of Safe Custody acknowledgments. They are distinctly marked "Discharged from Safe Custody". These Journals should be audited in the manner prescribed in Articles 220 and 221. The amounts shown in the money column should be agreed with those stated in the payment order (see Article 232). The date of payment of each acknowledgment must then be recorded against the entry of its issue in the Register of Acknowledgments issued. The paid acknowledgments should be filed along with the discharged cash certificates.

**Monthly verification of Safe Custody figures.**

**236.** When the transactions for a month relating to all Head Offices have been completely entered in the Register of Acknowledgments, the nominal value of Safe Custody acknowledgments discharged during the month should be agreed with that shown in the Balance Sheets.

### **Transfers of Cash Certificates and Declaration in lieu of lost Cash Certificates between different persons.**

**237.** When a Cash Certificate is transferred from one person to another, the Head Postmaster issues in the name of the transferee a fresh certificate bearing the same date of maturity as that of the original certificate which, with the endorsement of the original holder on its reverse, is sent to the Audit Office (*vide* Rule 562 of the Posts and Telegraphs Manual, Volume VI). Suitable entries should in such cases, be made against the numbers of both the Cash Certificates in the Stock and Issue Register.

In the case of declarations issued by the Audit office in lieu of a lost cash certificate (see Articles 253 to 255) the original declaration received from the Postmaster should be cancelled after verification with the entries in the register of Declarations and the Stock and Issue Register and fresh declarations showing the same date of maturity as that shown on the original declaration should be issued in the name of the transferee, suitable note being made against the entries in the register of declarations.

### **Between different Post Offices.**

**238.** Information about the transfer of a certificate from one Post Office to another will appear in the weekly Journals of issues received in the Audit Office (*vide* Rule 561 of the Posts and Telegraphs Manual, Volume VI). The name of the Post Office to which the certificate has been transferred should be entered in the Stock and Issue Register against the entry of the Cash Certificate

### **Payment of Cash Certificate in the United Kingdom.**

**239. (a)** A Post Office cash certificate issued at an Indian Post Office may be cashed in the United Kingdom if it has been enfaced for payment at the India Office by the Postmaster of the office in which the certificate is registered at the time (*vide* Rule 563 of the Posts and Telegraphs Manual, Volume VI).

**(b)** When an investor desires to cash at the India Office certificates which are in the safe custody of the Accountant General, Posts and Telegraphs, the Audit Office concerned should, on receipt of the acknowledgment together with a formal application, authorise the Head Office at its headquarters to issue one or more Cash Certificates of the desired denomination, in lieu of the acknowledgment, in the manner prescribed in Rule 564 of the Posts and Telegraphs Manual, Volume VI. The application for enfacement and the safe custody acknowledgment will also be sent with the letter of authority to the Postmaster, so that the certificates may be suitably endorsed.

**NOTE.**—Any certificate enfaced in the manner described above, can be discharged in India either personally or through an agent in the ordinary way, the enfacement notwithstanding (*vide* Rule 565 of the Posts and Telegraphs Manual, Volume VI).



240. On receipt of the extracts from the London Account together with the paid certificates through the Central Office, the Branch Audit office concerned will adjust these items by debiting "Post Office 5 year Cash Certificates" and crediting the head "Account between England and India, His Majesty's Indian Government in London—Miscellaneous," the debit to cash Certificates being distributed between the detailed heads "Principal" and "Interest (bonus)" as in the case of those discharged in India. Conversion from Sterling to Indian currency should be made at the rate prescribed in Article 120 of the Posts and Telegraphs Account Code the difference being credited or debited to "Exchange on Remittance Accounts".

The paid cash certificates will be dealt with in the same way as those paid in India, the month of adjustment in the Audit Office being considered as the month of payment for the preparation of the Balance Sheet.

*NOTE.*—Cash certificates stamped "cash'd at the India Office" need not be receipted by the payees on the reverse of the cash certificates as they are not paid by Post Office but by payment orders.

#### Balance Sheet.

241. A numerical Balance Sheet showing for each Circle, the total number of Cash Certificates sold by Post offices in that Circle, but remaining undischarged at the end of each month, relating to each quarter of a year of issue, should be maintained in Form A. G. P. T.-339. Separate pages should be allotted for each official year. The column for issues is posted from the Abstract of Issues and discharges (Form No. A.G.P.T.-337) mentioned in Article 241-A and the discharges are posted from the Classified abstract of discharged Cash Certificates (Form A. G. P. T.-339-B.) referred to in Article 243.

To ensure that the postings in Balance sheet are correctly made, a Broad-sheet should be maintained in addition, according to series of issues. The opening balances at the commencement of each year and the monthly issue and discharges according to series of issues are to be posted therein from the Proof sheets (Form A. G. P. T.-321) and an agreement effected monthly with the figures shown in the Circle Balance sheet. As the figures shown in the latter are according to years of issues, the numbers shown against different years of issue under one series, are to be added together to effect an agreement with the figures shown in the Broadsheet.

#### Register of Abstract of Issues and discharges.

241-A. To facilitate consolidation of Cash Certificates issued and discharged in a Circle, Abstracts and Registers in Forms A. G. P. T.-337 and 338 are maintained as explained below:—

Issues are posted in the Abstract in Form A. G. P. T.-337 from the audited summaries for the last week of the month and the "discharges" are posted from the "Register of discharges" in Form A. G. P. T.-338 as explained in Article 241-B. The total of the

figures thus arrived at represents the issues and discharges for the whole Circle for the month. A reconciliation should be effected between these figures and those shown in the Detail Book (see Article 247).

### Register of Discharges.

**241-B.** As Cash Certificates are sometimes discharged in an office different from that of issue or registration, the journals of discharges of one office may include payments of certificates originally purchased at another office. Adjustment must therefore be made so that the entries of discharges for each Head Office may eventually relate only to Cash Certificates sold at it. These adjustments will consist in deducting from the total, under the head "discharges" in the last week's summary the total of amounts paid on account of certificates originally issued by other offices either in the jurisdiction of the same Audit Office or in that of Foreign Audit Offices and adding to it the amount of Cash Certificates received in transfer from other offices. The net total arrived at, represents the number and amount of Cash Certificates discharged on account of its own issues.

**241-C.** If the offices of issue and payment are all in the same Postal Circle, the amounts deducted from the total discharges of the paying office will be added to the discharges under the several issuing offices the sum of the *minus* entries being equal to the sum of the *plus* entries.

Each such adjustment should be noted in Form A. G. P. T.-338 but no transfer entry will be necessary.

**241-D.** If the offices of issue and payment are situated in different Postal Circles but under the same Audit Office, a transfer entry debiting and crediting the respective circles should be made, which will appear in the Detail Books of the respective Circles through the head "Cash Certificate Remittances (same Audit Office)".

**241-E.** If the paying Post Office is in a different Audit Circle from that of the Post Office that issued the certificate, the debit in the accounts of the paying Office should be passed on to the Audit Officer of the issuing office, by crediting the head "Payments of Cash Certificates" (deduct from debit) and debiting "Cash Certificate Remittance (other Audit Offices)". The Remittance clerk will check the Advices of transfer, post the Cash Certificates in the Transfer Registers concerned and hand them over to the item-workers who should audit and deal with them in accordance with the rules relating to audit of Discharged Cash Certificates. The month of adjustment should be posted in the Column "Discharges" in the Stock and Issue Register with the particulars of the Advice of Transfer in the Remarks Column.

**241-F.** Separate Registers showing particulars of discharged Cash Certificates transferred from one office to another in the same Circle or in different

Circles under the same Audit office or in different Audit Circles should be maintained in Form A. G. P. T.-328. The registers should be reviewed monthly by the Accountant and submitted to the Gazetted Officer for inspection.

**241-G.** In cases where fresh Cash Certificates are issued in lieu of Cash Certificates issued in another Audit Circle, the Audit Office in whose jurisdiction fresh cash certificates are issued should send the cancelled certificates to the Audit Office in which they were originally issued and call for the transfer of the credit. The latter office after making a scrutiny of the cancelled certificates and a note of cancellation against the relevant entries in the Stock and Issue Register, should transfer the credit and retain the cancelled certificates. The Audit Office receiving the credit, *i.e.*, the Audit Office which has issued fresh Cash Certificates should also make a note of the cancellation of the original Cash Certificates against the entries relating to the fresh certificates in the Issue Register. For reconciliation purposes, the liability as to the year of issue, of the fresh Cash Certificate should be considered as for the year of original issue and not for the year in which the credit has been transferred and accounted for; when the credits are transferred, the new certificates should be marked off distinctively in the Issue Registers and when calculating the total outstanding of the year, the total of such Cash Certificates should be distributed to the various years of issue of the original Cash Certificates which they have replaced.

#### Partial discharge of Cash Certificates.

**241-H.** The procedure followed in audit in posting and proving of partially discharged Cash Certificates is the same as the one followed in the case of Cash Certificates discharged in full. The correctness of the Principal and interest paid for the portion of the nominal value discharged is checked. It is also seen whether Cash Certificates of the same old issue are issued for the balance. While posting the date of discharge in the Stock and Issue Register, a note should be made in the remarks column against the Cash Certificate partially discharged, thus:—

Partially discharged for Rs..... Cash Certificate Nos. .... issued in lieu of the undischarged value. For purposes of posting in Forms A. G. P. T.-337 to 339-B., the partially discharged Cash Certificate should be treated as though it was fully discharged but as the money value of the Cash Certificates noted in the Abstract and Register in Forms Nos. A.G.P.T.-337 and A.G.P.T.-338 will not agree with the total amount of discharges as noted in the money columns of the same Abstract and Register, a suitable note explaining the difference as due to partial discharge should be made in the Register against the names of Post Offices concerned. A similar procedure is followed in preparing classification slips in Form No. A. G. P. T.-339-A. The fresh Cash Certificates issued are all collected together in the "Issue side" of Form No. A. G. P. T.-337 for the whole Circle without showing money values in the money column, classified according to the several quarters and years of issue and posted in the Circle Balance sheet. The

Cash Certificates issued are shown as *plus* entries against the quarter under the denomination concerned. The money value of the balance of the undischarged Cash Certificates shown in the Balance Sheet will thus agree every month with the balances shown in the Broadsheet. No account adjustment is made on this account unless the Cash Certificate is discharged in a Circle other than the Circle of its issue in which case the credit in respect of the undischarged portion, is transferred through the head "Cash Certificate Remittances" to the Circle in which the Cash Certificate is partially discharged (See Article 241-G.).

**Exchange of Cash Certificates of lower denomination for Cash Certificates of higher denomination and vice versa.**

**241-J.** It should be seen in audit whether Cash Certificates of the same series are issued as those of exchanged and whether the nominal value of the Cash Certificates issued in exchange is exactly equal to the nominal value of the Cash Certificates exchanged. Suitable notes of cancellation of old Cash Certificates and issue of fresh Cash Certificates should be kept in the Issue Registers against the respective serial numbers. Such transactions should be collected together in Form A. G. P. T.-337 for the whole Circle by means of *plus* and *minus* entries, *i.e.*, certificates *exchanged* are shown as *minus* entry against the quarter under the denomination concerned and the Cash Certificates issued are shown as a *plus* entry against the quarter under the denomination concerned.

The net result of the above transactions as worked out in Form A. G. P. T.-337 for the whole Circle is then posted in the Circle Balance Sheet. No account adjustment is made in the Detail Book.

**Classification of discharged Cash Certificates according to years and quarters of issue and the preparation of the classified abstract of Cash Certificates discharged.**

**242.** After the discharged Cash Certificates of an office relating to a month have all been posted in the Stock and Issue Registers, they should be sorted by denominations firstly according to years of issue and then arranging them according to quarter of issue of each year of issue. The number of Cash Certificates discharged should then be entered in a slip in Form A. G. P. T.-339-A and the total number shown in the slip under each denomination should be agreed with the number of Cash Certificates arrived at by actual count and also with the number shown in column "net total" in the register of Cash Certificates discharged (Form A. G. P. T.-338). The slip should be initialled by the item-worker and handed over to the Auditor who should also agree the totals with the figures shown in the Abstract of Cash Certificates issued and discharged (Form A. G. P. T.-337). The Auditor/Reviewer will test-check the classifications made by the item-workers.

**NOTE**—Cash Certificates that have *matured* (*i.e.*, completed 10 years' period from the date of issue) before the current year, need not be classified according to quarters of issue as they cease to earn interest any further.

243. When all the slips have been received from the Auditors of groups duly checked, they should be arranged in alphabetical order of the Post Offices in each Circle by the Balance sheet clerk, who should post these figures in the Register in Form A. G. P. T.-339-B so as to facilitate the postings in the Circle Balance sheet.

241. }  
245. } Nil.  
246. }

#### Reconciliation with Detail Book.

247. A register should be maintained for each Postal Circle in Form No. A G. P. T.-329 for effecting an agreement between the amounts of cash certificates issued and discharged as booked in the Circle Detail Books and those compiled from the journals of issues and discharges. The latter should be posted from the Register in Form A G. P. T.-339. As regards the former, the Postal Accounts Section should send to the Cash Certificate Section, as soon as the accounts of a month have been closed, a statement showing for each circle, the total amounts of issues and discharges and interest and the additions and deductions resulting from transfer entries. The difference, if any, between the two sets of figures should be clearly explained in the last column of the register which should be reviewed by the Accountant and submitted to Gazetted Officer every month.

248. At the end of the year, after the accounts for March Final have been closed, a certificate in the following form should be furnished to the Deputy Accountant General, Posts and Telegraphs, Calcutta (Government Security Section) :—

“Statement of balances under the head ‘Post Office 5-year Cash Certificates’ for..... Circle for the year.. ..”

- (1) Opening balance.
- (2) Cost of Cash certificates issued during the year (as per Detail Book).
- (3) Total of (1) (2).
- (4) Cost of Cash Certificates discharged during the year (as per Detail Book).
- (5) Closing Balance.

Certified that the closing balance as shown above has been verified with the balances shown in the Circle Balance Sheets”.

249. The Deputy Accountant General, Posts and Telegraphs, Calcutta (Government Security Section), should, after check, consolidate the figures for the whole of India and send a copy to the Accountant General, Posts and Telegraphs, for agreement with the General Abstract.

NOTE.—Adjustments made in journal entries under the head “Post Office 5-year Cash Certificates” should be communicated to the Accountant General through revised statements.

**249-A.** After the accounts for March Final have been closed, an annual report on the issue and discharge of Post Office 5-Year Cash Certificates together with a statement showing details as to number and value of Cash Certificates issued and discharged in each Postal Circle separately for each denomination should be furnished to the Deputy Accountant General, Posts and Telegraphs, Calcutta (Government Security Section). In the report the general results of the Cash Certificate operations during the year as compared with those of the preceding year should be reviewed briefly and any other information which may appear to be interesting and relevant should also be given.

**249-B.** The Deputy Accountant General, Posts and Telegraphs, Calcutta, should after check, consolidate the figures for the department and communicate them to the Central Office by the 15th August

The Book Section of the Central Office should send it to the Director General of Posts and Telegraphs along with the statement showing the Savings Bank and Government Security transactions on the 20th August each year with comments on the general position of the various kinds of investments made through the Post Office

#### **Annual Verification of Balance.**

**250.** An annual verification is undertaken to prove that all the transactions of the Head Post Offices in a Circle during the year have been correctly taken into the Stock and Issue and Safe Custody Registers. The verification consists in agreeing the balance at the close of the year as shown in the Balance Sheet with the sum of the nominal values of cash certificates not discharged upto the 31st March of the year as exhibited in the Proof Sheets (Form A. G. P. T.-321).

The correctness of the monthly postings in the Stock and Issue Registers is proved in the manner indicated in Article 227, while the figures in the Safe Custody Registers are proved monthly as laid down in Article 236.

**251.** After the postings for March in the Stock and Issue Registers have been completed and proved, the monthly figures in the Proof Sheets (Form A. G. P. T.-321) should be totalled for each office and a grand total for the whole circle should be compiled therefrom in Form A. G. P. T.-339-D. This should be agreed with the corresponding totals in the Balance Sheet. Similar agreement should be effected in the case of Safe Custody transactions.

The annual verification should be completed by the 31st October of each year.

**251-A.** Every sixth year the verification of balances should be done by actual count from the Issue Registers as far as possible, the re-copying of Issue Registers should be taken up at that time so that it may facilitate the counting of undischarged Cash Certificates for the purpose of verification. Discrepancies, if any noticed, should be investigated with a view to rectification.

### Interest liability statement.

**251-B.** After the completion of the annual verification of balances the maximum liability of Government on account of outstanding Cash Certificates should be worked out in Form A. G. P. T.-339-C for Budget and other statistical purposes with reference to the respective year of issue.

NOTE—The classification shown in Form A. G. P. T.-339-D is intended to show the particulars of outstanding Cash Certificates according to their series of issues as well

### List of unsold Cash Certificates.

**252.** List of Cash Certificates remaining unsold in Post Offices on the 31st March and 30th September of each year are received in the Audit Office in April and October respectively (*vide* Rule 575 of the Posts and Telegraphs Manual, Volume VI). The entries in the lists should be compared with those in the Stock and Issue Registers and any discrepancies noticed should be settled in communication with the Postmaster concerned. The lists for the two periods should be completely checked by the 31st July and the 31st January respectively, the progress made in checking being watched through a register. This check though involving considerable work, is an important means of detecting fraudulent issues within six months of the transactions.

### Declaration in lieu of lost Cash Certificates and Safe Custody Acknowledgments.

**253.** The holder of a Cash Certificate who reports that it has been lost from his custody or destroyed, will be asked by the Postmaster to furnish a statement in writing explaining the circumstances in which it was lost or destroyed. The statement will be forwarded by the Head Postmaster to the Audit Office with his report thereon in the prescribed form (*vide* Rule 572 of the Posts and Telegraphs Manual, Volume VI).

The statement and the report should be carefully examined and if found to be complete and in order, the serial number and the date of issue of the lost Certificate as entered in them should be verified by a reference to the list of Issues and the Stock and Issue Register.

If these agree, a "Declaration" (for each Cash Certificate) in Form No. A. G. P. T.-330, should be filled in by reference to the Issue Journal and the Stock and Issue Register and the particulars of the declaration noted in the Register of declarations in lieu of lost or destroyed Cash Certificates (Form A. G. P. T.-332). A note of the number and date of the declaration issued should be also made in red ink in the remarks column of the Stock and Issue Register against the serial number of the lost or destroyed Cash Certificate. While issuing declarations in lieu of lost certificates standing in the names of deceased holders, the following sentence should be added to the declarations—"is recognized as the present holder of this declaration".

**254.** The declarations will be compared with the applications and the Stock and Issue Register by the Accountant, who will initial the declaration and the entries in the Stock and Issue Register and Declaration Register.

The register, together with declarations and applications, will then be sent to the Gazetted Officer, who will compare the declarations with the entries in the register, initial the latter and sign the declarations which should then be sent to the Postmasters concerned for delivery with a forwarding letter in Form No. A. G. P. T.-334. The Postmaster will acknowledge receipt of these declarations.

255. The procedure described in Articles 253 and 254 should be followed in the case of lost or destroyed Safe Custody Acknowledgments, with the exception that the Register of Acknowledgments Issued will take the place of the Stock and Issue Register, and Form A. G. P. T.-331 will be used in place of Form A. G. P. T.-330.

#### **Treatment of spoiled Cash Certificates.**

256. When a Cash Certificate which has been spoiled in the Post Office before issue, is received from the Post Office with the weekly journal of Cash Certificates issued (*vide* Rule 569 of the Posts and Telegraphs Manual, Volume VI), it should be entered in the Register of spoiled Cash Certificates in Form No. A. G. P. T.-333 and submitted through the Accountant to the Gazetted Officer with the register for initialling the entry. The remark "spoiled" will also be made against the number in the Stock and Issue Register under the Accountant's initials. If such certificates are received very frequently from any one Post Office, the Postmaster's attention should be drawn to them and a report should be made to the Head of the Circle for suitable action.

#### **Treatment of Unclaimed Balances of Cash Certificates.**

256-A. Unlike the other forms of Government Securities the unclaimed balances of Cash Certificates are transferred direct to Revenue at the end of three account years after the date of their maturity, that is, in the March Final Accounts of the 9th Account year from the date of issue and those issued prior to the 3rd April 1929 whose period of maturity has been extended to ten years, at the end of three account years after the date of their extended maturity, that is, in the March Final Accounts of the 14th Account year from the date of their original issue. Such balances of Cash Certificates (Issue Price) as worked out from the issue Register should be passed on by the Postal Audit Offices in their exchange account with the Accountant General, Central Revenues, for adjustment in his books under Revenue. The balances thus transferred should be noted in the opening pages of the respective issue Register.

Subsequent payments in respect of these Cash Certificates should be posted in the Issue Register concerned and every month the payments thus posted should be passed on to the Accountant General, Central Revenues, for adjustment against lapsed revenue.



### Results of Audit.

257. (a) Trivial irregularities, *e.g.*, entries in Issue Lists not made in serial order, etc., discovered during audit should be entered in half-margin memorandum (Forms Nos. A. G. P. T. 325 and 325-A), which will be returned by Postmasters in original with their replies noted thereon. Irregularities of an important nature should be entered in an objection statement in Form A. G. P. T.-335 or in a half margin memorandum in Form A. G. P. T.-336 as the case may be. These generally fall under one of the classes mentioned below :—

- (1) Objections due to want or incompleteness of vouchers, etc. These are removable on receipt of the voucher or on suitable explanation.
- (2) Objections on the score of excess payments or short credits. These are removed on the amounts being recovered. Until such recovery is reported, the amounts are included under "Advances Recoverable".
- (3) Amounts of excess recoveries from or short payments to investors. These are liable to be demanded by the investors at any subsequent time and should therefore be included under "Deposits".

(b) Short or overpayments of interest of five annas and less need not be communicated to Postmasters. Recoveries of overpayments may be waived by the Gazetted Officer-in-charge and the order recorded on the back of the discharged Cash Certificate. Similarly short payments may also be recorded on the back of the Cash Certificate under the signature of the Gazetted Officer-in-Charge, no action being taken for refund of the amounts to investors.

(c) Short credits or overpayments on account of cash certificates exceeding Rs. 10 should be reported to the Head of the Circle. In such cases, copies of objection statements should be sent to the Head of the Circle or his special attention drawn to the items of objection.

257-A. When all attempts on the part of executive to pay the party or parties concerned amounts short paid on account of interest on cash certificates prove unsuccessful, the amounts objected to should be finally adjusted by credit to "Abstract B—Miscellaneous Revenues—Fees and other receipts—other items" by debit to "Deposits—short payment on cash certificates".

### Objection Statements.

258. The Objection Statement should be filled up as required by the form, two copies being prepared on carbon paper. On completion of each Objection Statement, the Auditor should submit it through the Accountant to the Gazetted Officer, who will sign the Carbonised copy as laid down in Article 62 of the Posts and telegraphs Initial Account Code, Volume I.

NOTE.—The Accountant may sign all objection statements not involving interpretation of rules.

**259.** The approved Objection Statements should then be copied into the Circle Objection Book, Form No. A. G. P.-T. 433, which collects together for each circle, the amounts held under objection, the several items for the month being numbered consecutively, in the objection book.

**260.** Finally, a reference should be made to the Register (Form A. G. P. T-436) posted in the Postal Accounts Section directly from the Cash Accounts to see whether any item appearing in the Cash Certificate Objection Statement under issue has already been recovered or refunded. If such a recovery or refund is traceable, the corresponding entry in the Objection Statement should be cancelled, a note of the date of recovery or refund being made against it and initialled by the Accountant. The Objection Statement should then be forwarded to the Postmaster concerned.

**NOTE.**—All the items in the Register of Recoveries and Refunds should be scrutinized and adjusted before submission of the same to the Gazetted Officer for review.

#### **Return of Objection Statements.**

**261.** Postmasters are required to return an Objection Statement with their explanations, not later than a fortnight from the date on which it is received by them. A watch over the return of Objection Statements should be maintained through the Circle Objection book and reminders should be issued whenever the return of an Objection Statement is delayed 4 days beyond the time allowed due regard being paid to the time spent in transit.

**262.** If the explanation offered in regard to an objection is such as to warrant the removal of the objection, its amount should be noted in the column headed "Finally passed". Recoveries of overpayments and refunds of short payments reported in the explanations should at once be traced in the Register of Recoveries and Refunds prepared by the Postal Accounts Section (See Article 260) and, if traceable, the amount should be posted in the column headed "Adjusted by Recovery or Refund". A brief note of the manner of adjustment, *e.g.* "On Postmaster's explanation, etc." should be made against adjustments of amounts included under "Items Awaiting Clearance".

**263.** Each entry of adjustment made in the Objection Book should also be posted in the corresponding columns of the Adjustment Register (Form A. G. P. T.-434), and each entry, both in the Objection Book and the Adjustment Register, will be checked and attested by the Accountant.

#### **Closing the Objection Books.**

**264.** After all the objections relating to a month's account have been posted, the Objection Book should be closed by pasting a printed "closing slip" (Form No. A. G. P. T.-435) at the foot of the last page containing an entry

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for the month. Each money column in the Objection Book and in the Adjustment Register should be totalled and the totals entered in the proper cages of the closing slip.

NOTE.—The paid cash certificates, etc., received with the objection statements, should be handed over to the item-work is concerned for proper filing, who should endorse a certificate on the objection statement to the effect that the documents have been properly filed. The auditor should keep the objection statements serially arranged in his custody till they are finally settled and sent to old Records at the end of the year.

265. The total difference or errors found will then be adjusted by transfer entries debiting and crediting the heads shown below :—

Nature of error, etc.	Account Heads
1. Short credits in individual Cash certificates or in the Total of Journal.	Debit "Advances Recoverable—Overpayments on Cash Certificates", and credit "Post Office 5-year Cash Certificates".
2. Excess credits on individual Cash Certificates or on the Total of Journal.	Debit "Post Office 5-Year Cash Certificates (deduct from credit)" and credit "Deposits—Short payments on Cash Certificates".
3. Overpayments on individual Cash Certificates or on the total of Journal.	Debit "Advances Recoverable"—"Overpayments on Cash Certificates" and credit— (a) "Post Office 5-Year Cash Certificates" Principal Deduct from debit. (b) "22-Interest on debts and other obligations"—"Bonus on Cash Certificates" (P. & T.). Deduct from Debit.
4. Short payments on individual Cash Certificates or on the total of Journal.	Debit (a) "Post Office 5-Year Cash Certificates"—Principal. (b) "22-Interest on debt and other obligations"—"Bonus on Cash Certificates" (P. & T.) and Credit "Deposits"—Short payments on Cash Certificates".

266. The amounts of credits and debits on account of "Advances Recoverable" and "Deposits" shown in the Objection Book should be reconciled with the amounts appearing in the Detail Book, brief but clear explanations of the difference being given in the Broadsheets maintained in the Section by Circles. The balances under these two heads are also worked out, month by month, in the Broadsheets of Advances Recoverable and Deposits, which are submitted to the Gazetted Officer for review on the 30th of every month.

**Treatment of undeliverable Cash Certificates and Safe Custody acknowledgments.**

**266-A.** When a cash certificate or a safe custody acknowledgment is returned by the Postmaster as undeliverable, the Audit Office will keep them in the safe custody of the Gazetted Officer after noting the particulars thereof in a register maintained in manuscript for the purpose as per specimen given below. A note "in the safe" should also be made against the item in the Stock and Issue Register. The register should be submitted to the Gazetted Officer every time such a document is to be kept in the safe.

*Register of undelivered cash certificates and acknowledgments.*

Name of Office.	No. and date of the letter with which Cash Certificates or Safe Custody Acknowledgments received.	Serial No. of C. Cs. or S. C. As.	Denomination.	Dated Initials.		No. and date of letter with which returned for delivery to investor.	Dated Initials.		Remarks.
				Acctt.	G.O.		Acctt.	G.O.	
1	2	3	4	5	6	7	8	9	10

**Record arrangements.**

**267.** As soon as the postings of a month are completed and the correctness of posting proved, the Cash Certificate Lists and the discharged Cash Certificates pertaining thereto together with those discharged at offices other than that of issue, will be tied in separate bundles and arranged alphabetically and serially. The bundles should be labelled with the name of the Head Post Office and the month of account. They should be made over, once in six months to the Record clerk who will be responsible for their safe custody.

**Custody of Registers, Books, etc.**

**268.** The following important registers and books, etc., are maintained in the Cash Certificate Section :—

Names of Registers, etc.

Register of lost Cash Certificates and Safe Custody Acknowledgments.

Register of spoiled certificates.

Register of undelivered acknowledgments and Cash Certificates.  
 Register of Cash Certificates sent out.  
 Objection Books.  
 Register of transfer entries.  
 Register of reconciliation of Cash Certificate figures with Detail Books.  
 Register of safe custody applications.  
 Register of transferred cash certificates.  
 Issue Registers.  
 Guard files of invoices of cash certificates.  
 Waive Register.  
 Broadsheet of balances under "Advances Recoverable" and  
 "Deposits".  
 Proof Sheet Register.  
 Register for watching the disposal of half-yearly statements.  
 Register of abstract of issues and discharges.  
 Register of discharges.  
 Circle Balance sheet.  
 Classification slips.  
 Classified abstract of cash certificates discharged.  
 Statement of Interest liability.  
 Compilation for the annual verification of balances.

#### Publication of monthly transactions.

**268-A.** Monthly transactions of cash certificates are published in part II of the Gazette of India. For this purpose, each Branch Audit Office sends to the Central Office a statement in the subjoined form each month, showing the figures of each circle under its audit jurisdiction separately and also the figures for the corresponding month of preceding two years on the 10th of the second month following the month of account.

Name of Postal Circles.	Cash realised from sales.	Amount repaid.	Amount of Principal outstanding.
		Principal.	

In the Central Office a consolidated statement is prepared showing the total amount of cash realised from the sale of 5-year Post Office Cash Certificates, amount of principal repaid and the amount of principal outstanding in each Postal Circle at the end of the month. The consolidated statement, after agreement with the General Abstract, is sent to the Government of India Press, New Delhi, on the 20th of the second month following the month of account for publication in Part II of the Gazette of India and also for printing of some copies separately.

On receipt of the separate printed copies from the Press, these are distributed as follows :—

## COPIES.

- |                                                                             |   |
|-----------------------------------------------------------------------------|---|
| 1. The Finance Department of the Government of India . . . . .              | 2 |
| 2. The Director General of Commercial Intelligence and Statistics . . . . . | 1 |

NOTE.—The statement for the month of March should contain March Final figures of the preceding two years

**Statistical Returns.**

**268-B.** A monthly statement showing the number of transactions under “Issues and Discharges” separately and another showing the amount booked under “Issues and Discharges” as per Detail Book should be sent so as to reach the Central Office on the 13th and the 27th respectively of the month following the month of account.

The Book Section of the Central Office should compile the figures from the monthly statements referred to above and forward two consolidated statements to the Director General of Posts and Telegraphs on the 15th and the 30th respectively, of the month following the month of Account.



## CHAPTER 5.—SAVINGS BANK.

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### General Organisation.

269. The management of the Postal Savings Bank has been entrusted to the Indian Post Office, which acts as an agent of Government, receiving deposits and paying withdrawals, etc., on its behalf. The rules under which accounts are opened, deposits received and withdrawals paid, are issued by the Governor General in Council, subject to the general superintendence of the Secretary of State in Council and will be found in the Post and Telegraph Guide, Section VI—Rules for the guidance of depositors in Post Office Savings Banks. Subsidiary rules of procedure to be followed by Post Offices and the higher executive officers of the Post Office are issued by the Director General and will be found in Chapter 8 of the Posts and Telegraphs Manual, Volume VI.

270. The Auditor General has been required by the Governor General in Council under Rule 12 of the Auditor General's Rules (reproduced as Appendix 1 to the Audit Code) to arrange for the audit of Postal Savings Bank transaction. The rules issued by the Auditor General, under Rule 22 of the said Rules, governing Savings Bank accounts submitted to Audit Offices and the initial accounts from which they are compiled or on which they are based have been, for the sake of convenience, incorporated in the Posts and Telegraphs Manual, Volume VI.



**271.** Under the rules for depositors, Savings Bank transactions are permitted at all Head Post Offices and, with certain exceptions, at all Post Offices subordinate to them. The accounts of the latter are, however, incorporated in those of the former and the Head Post Office is responsible for submitting consolidated accounts not only of its own transactions, but also of those of offices subordinate to it. The results of audit conducted in the Audit Office are communicated to the Head Post Office, and the latter is responsible for seeing that prompt action is taken to remedy the defects discovered and to meet the objections raised, on its own transactions as well as on those of the offices subordinate to it.

**272.** The principal account of Savings Bank transactions received from a Post Office is the 'journal' in which every case of deposit or withdrawal is shown in chronological order. All the withdrawal entries in the journals are supported by warrants of payment and the majority of deposit entries are supported by vouchers in the form of duplicates of deposit acknowledgments, index cards, etc. The Audit Office is required to see that the transactions recorded in the journals are covered by rules and orders issued by competent authority, that vouchers or other documents have been submitted for every entry appearing in the journals and that the vouchers have been prepared according to rule and constitute genuine evidence of the transactions having occurred as described in the accounts. The complete accounts of the Postal Savings Bank are also compiled in the Audit Office, and in order that this responsibility may be discharged efficiently, it has to maintain a separate ledger account for each Savings Bank account opened in any Post Office. These accounts are maintained according to the card ledger system under which a separate card has to be kept for each account, and every monetary transaction, whether of deposit or withdrawal, etc., is required to be recorded in the proper ledger card as soon as intimation is received of its occurrence. The entries in the card are made by Remington Book-keeping machines which are fitted with devices for totalling the amount of all transactions posted in the ledgers. Each machine is fitted with 4 vertical totalisers affected respectively by the posting of the amounts of (i) opening balance before each transaction, (ii) deposits, (iii) withdrawals and (iv) balance after each transaction. It has a fifth totaliser, the function of which is to show the result of the postings made in each particular ledger card. In operating the machine, it is so arranged that the amounts of opening balance and deposit should be added while those of withdrawals and balance after each transaction should be subtracted in the cross totaliser with the result that if the posting in the ledger has been done correctly the cross totaliser will, on the completion of the posting, show a *nil* balance. As the number of Savings Bank accounts is very large, the ledger cards are divided into series, each series consisting of about 400 accounts. After all the transactions affecting the accounts in any series have been posted, the total amounts stored in the two vertical totalisers for deposits and withdrawals are transferred to a master card, one of which is maintained for each Head Post Office or each part of a Head Post Office which renders

accounts in parts. When all the transactions of a Head Post Office, including its subordinate offices, have been posted completely in the ledger cards and abstracted in the master cards, the totals of the amounts appearing in the latter give the grand total of all the Savings Bank transactions of that office and are agreed with the corresponding amounts appearing in the Savings Bank Journal.

273. The ledger cards used in all Postal Audit Offices are uniform in size and ruling and consequently whenever a Savings Bank account is transferred from one Post Office to another, its ledger card is also transferred from one group to another or from one Audit Office to another, as the case may require. The ledger cards are so designed as to contain all necessary information relating to the character of the account, *e.g.*, whether it is a minor's account or a security deposit account or a public account, and consequently a complete audit of all transactions, not only in respect of the accuracy of the accounts but in respect of the rules governing deposits and withdrawals, is conducted by a scrutiny of the vouchers in conjunction with the ledger cards.

274. Savings Bank transactions in cash are also included by the Post Office in its monthly cash account submitted to the Audit Office and are incorporated through the Classified Abstract and Detail Book into the general accounts of Government. A reconciliation between the amounts appearing in the monthly cash accounts and in the final accounts of the Department on the one hand and the amounts appearing in the Savings Bank journal and the depositors' ledger cards on the other, is effected at two stages. A preliminary comparison is made between the amount appearing in the journal and in the cash account and a final reconciliation between the total amounts of the ledger cards and the amounts appearing in the Detail Book is made through a system of Control Accounts, one of which is maintained for each Head Post Office.

275. The Savings Bank Section of each Audit Office is divided into groups which are so arranged that there are not more than 10,000 transactions per month on an average to be dealt with in each group. The staff allotted to each group consists of one machine-operator, two auditors, one journal clerk and one sorter. There is a separate group entrusted with the maintenance of various registers and the preparation of statistical and other statements due from the Savings Bank Section.

276. One Book-keeping machine should be allotted to each group and should be in charge of the operator, who will be responsible that it is always kept in order. A reserve of machines, calculated on the basis of one machine for every four groups and of the corresponding number of operators, should also be organised to cope with unexpected increases in the number of transactions and also to provide for the breakdown of machines or the absence of operators.

277. The Deputy Accountant General will prescribe the individual duties of the members of the groups and a copy of the duty list signed by the Accountant in charge of the Savings Bank Section will be prominently displayed in each group.

The distribution of the work among individual members of the group will not affect the fundamental responsibility of the auditors for the audit of Savings Bank transactions, and for the proper maintenance of the ledger cards. The responsibility of the operator is limited to the posting of the transactions into the proper cards and the preparations of the master cards, deposit slips, etc., and that of the sorter to the extraction and replacement of the ledger cards from the cabinets and sorting of vouchers. The auditor is responsible for seeing by an examination of the postings with the vouchers, not only that the postings have been correctly made and proved with the accounts received from the Post Office but also that the transactions have been made according to rule and that they are supported by proper vouchers. Defects discovered during his audit are rectified only at his initiative. The journal clerk attached to the group is expected to relieve the auditors of routine work of an unimportant character, *e.g.*, checking the arithmetical accuracy of the journals, etc.

278. Each accounting group is under the charge of Supervisor, who will arrange to distribute the work amongst the members of the group according to such instructions as may be issued by the Deputy Accountant General in conformity with Article 277. As the two auditors in each group work independently of each other, the necessary correlation between their work and the duties entrusted to the other members of the group, operator and sorter, must be effected by the Supervisor, who should see that the distribution of work between the auditors is fair. The supervisor is responsible that the work of the group in his charge is being done strictly according to rule, within the periods and by the dates prescribed in Article 280. He must pay close attention to the prompt disposal of correspondence and to the pursuance and clearance of objections. He will be in personal charge of the Objection Books of his group and will deal with all correspondence relating to objections. He is also responsible for the conduct of the periodical reconciliation of the total of the balances of individual accounts of his group with the total balance as ascertained from the accounts.

279. The final reconciliation of the amounts of the ledger cards with those appearing in the Detail Books and Circle Abstracts must be entrusted to an independent group, which should be made responsible for maintaining and proving with the general books, a Savings Bank Control Account for each Post Office. This group should also be entrusted with the adjustment of transfers of Savings Bank accounts, whether Inland or Foreign, and other adjustments by transfer entries.

### Progress of work.

280. Savings Bank accounts should be prepared, in common with other Government accounts, month by month, and the posting of transactions should also be done monthly. The Deputy Accountant General may, however, introduce a system of fortnightly postings, during some months of the year if this system is found convenient. In any case, the dates referred to or indicated in this Article should be scrupulously observed for the completion of the various items of work and a register should be maintained in Form A. G. P. T.-340, for each group by the Supervisor, in which he will enter the dates on which each item of work is taken up and finished. This register will be submitted through the Accountant to the Gazetted Officer every Monday.

The Accountant in charge of the Section should also maintain a chart in Form No. A. G. P. T.-341, showing the state of work of the whole Section. It should be submitted to the Gazetted Officer weekly.

A statement of work done by each machinist should be maintained in Form No. A. G. P. T.-341-A., which should be submitted to the Deputy Accountant General, along with the recommendations for special pay under paragraph 137 of the *Manual of Standing Orders*.

### *Due dates for audit of Savings Bank transactions.*

In respect of the work relating to the accounts for the months from April to July of a year, the due dates are mentioned in Article 348. The work relating to the rest of the year should be completed on the dates mentioned below. It should be distinctly understood that all stages of work relating to March Accounts should be completed on the 24th April, so that there may not be any delay in starting the annual work.

Details of work.		Due date for completion
Completion of audit, etc., of August Accounts	..	.. 30th September.
Verification of balances at the close of August	..	.. 7th October.
Completion of audit, etc., of September Accounts	..	.. 31st October.
Verification of balances at the close of September	..	.. 7th November.
Completion of audit, etc., of October Accounts	..	.. 30th November.
Verification of balances at the close of October	..	.. 7th December.
Completion of audit, etc., of November accounts	..	.. 31st December.
No verification of balances for November	..	.. ....
Completion of audit, etc., of December Accounts	..	.. 28th January.
Verification of balances at the close of December	..	.. 6th February.
Completion of audit, etc., of January Accounts	..	.. 26th February.
Verification of balances at the close of January	..	.. 4th March.
Completion of audit, etc., of February Accounts	..	.. 26th March.
Verification of balances at the close of February	..	.. 3rd April.
Completion of audit, etc., of March Accounts	..	.. 24th April
No verification of balances for March..	..	.. ..

The due date for the completion of the examination of the Journal for the fourth week of a head post Office and making over the check slips to the Postal Accounts Section will be one day earlier than the date fixed for the posting of the classified abstract of that office. The Superintendent S. B. Section should watch this by means of a broadsheet showing the due date for each office.

Objection statements should be issued on the day following the date on which audit, etc., of a month's accounts are completed. The due date for closing of Objection Books should be the 7th day from the date of completion of audit, etc., of a month's accounts.

NOTE.—If, owing to the Durga Puja and Christmas holidays, it is not found possible to observe the due dates, an explanation of the arrears should be given in the Monthly State of work report submitted to the Accountant General.

#### Returns Due.

281. The daily, weekly or other periodical returns of Savings Bank transactions due from Post Offices are :—

- (1) Journal of cash transactions,
- (2) Voucher list with vouchers,
- (3) Lists of accounts transferred to or from other offices, and
- (4) List of dead accounts reopened.

Immediately on receipt, the bundles should be examined by the supervisor to see whether all the returns and the vouchers mentioned in the vouchers list have been received correctly. Applications for transfer of account to the Foreign Post Office Savings Bank and other papers should be disposed of without delay and any document which should have been received but has not been received should be called for from the Post Office.

NOTE.—Any applications for the purchase or sale of Government Securities inadvertently sent should at once be sent to the Deputy Accountant General, Posts and Telegraphs, Calcutta, for disposal.

#### Examination of Journal and List of Transfers.

282. The journal and the lists of transfers should be examined and dealt with in the following manner :—

- (1) The weekly and the progressive totals of deposits, withdrawals, and of the amounts transferred or received in transfer should be checked.
- (2) The number of transactions shown in the second column of the journal should be verified by an actual count of the entries in the deposit and withdrawal columns.
- (3) Each entry of withdrawals should be checked against its warrant of payment signed by the Postmaster and receipted by the payee for the amount noted in the journal. The balances after

transactions as noted in the journal should then be noted on the warrants. If any warrant is wanting, a slip showing the number of account, name of the depositor, date of transaction, amount withdrawn and balance after withdrawal should be made out for posting the ledger cards.

- (4) It should also be seen that for each deposit made in Sub and Branch Post Offices, duplicate copies of acknowledgments are received and that particulars entered therein in regard to the number of the account, amount deposited and the balance after the deposit are correct. If any acknowledgment is not received, a slip should be prepared instead.

NOTE.—Acknowledgments will not be received in support of first deposits. Slips should therefore be prepared for them.

- (5) Slips (Form No. A. G. P. T.-342) should then be prepared for every entry of deposit in the Head Office journal and for every entry in the lists of transfers (both credit and debit) and the Government Security intimations received from the Deputy Accountant General, Posts and Telegraphs, Calcutta, showing the number of the account and the date and amount of the transaction. In the case of cash deposits the balance after transaction, as shown in the journal and in the case of transfers, the office from which or to which the account is transferred, should also be copied. In the case of Government Security transactions, the name of the depositor should also be noted, with the distinguishing letters, "I. G. S.", "P. G. S." or "S. G. S.", as the case may be [*vide* Article 293 (*ii*)].

NOTE 1.—Slips should not be prepared by the machinist for deposits made at Branch Offices in direct account with the Head Office.

NOTE 2.—In preparing slip for transactions in Government Securities, the date of transaction should be the actual date of purchase or sale of the security as shown in the intimation of purchase or sale. In the case of payment of interest, it should be the date on which the interest accrued, as shown in the Interest Payment Orders received from the Deputy Accountant General, Posts and Telegraphs, Calcutta.

NOTE 3.—If it be found that a Government Security transaction relates to an account which has been transferred to another head office in the same Audit Circle, the necessary papers should be transferred to the group dealing with the new office. The slips will be prepared in the new group and the name of the new office and the new account number will be entered on the intimation. If, however, the account has been transferred to a head office in another Audit Circle, an extract of the intimation should be sent to the Deputy Accountant General, Posts and Telegraphs, Calcutta, with a suitable remark to that effect.

283. After the journals for all the four weeks have been dealt with as described in Article 282, an abstract of totals of the four weeks' journals and

lists of transfers (credit and debit) should be made on the last page of the journal for the last week showing the following particulars :—

Particulars.								No. of transactions.
Deposits—								
Cash	..	..	..	..	..	..	..	..
Transfers				..	..	..	..	..
Foreign Transfer	..	..	..	..	..	..	..	..
Sale of Government Securities				..	..	..	..	..
Interest on Government Securities				..	..	..	..	..
Dead accounts reopened	..	..	..	..	..	..	..	..
Withdrawals—								
Cash	..	..	..	..	..	..	..	..
Transfer				..	..	..	..	..
Foreign Transfer	..	..	..	..	..	..	..	..
Purchase of Government Securities				..	..	..	..	..
Number of accounts—								
Opened by cash	..	..	..	..	..	..	..	..
Opened by transfer				..	..	..	..	..
Closed by cash				..	..	..	..	..
Closed by transfer				..	..	..	..	..
Interest Additions and corrections				..	..	..	..	..

#### Verification with Cash Account entries.

284. The amounts of deposits and withdrawals in cash for each head post office should be copied into a check slip in form A. G. P. T.-343 which should be sent to the Postal Accounts Section for agreement with the cash account before the posting of the classified abstract of that office is taken up. The results of comparison will be entered on the slip by the auditor of the Postal Account Section over his initials and the slip returned to the Savings Bank Section without delay. This slip should be pasted on the last sheet of the journal of the 4th week, below the abstract referred to in Article 283.

285. In the event of there being any difference between the totals of the Savings Bank journals and the corresponding entries in the Head Office cash account, the difference will be debited to "Advances Recoverable" or credited to "Suspense account" (credits suspended), as the case may require, and the auditor of the Postal Accounts Section will be responsible for securing their adjustment.

#### Ledger Cards.

286. A depositor's ledger account is maintained in Form No. A. G. P. T.-344 for each Savings Bank account opened at a Post Office provided it has not been treated as a 'dormant' or 'dead' account, definitions of which terms will be found in Article 361. A ledger account has therefore to be opened every time the opening of a new account is reported by a Post Office or a deposit or withdrawal takes place in an account which has been previously classed as 'dead' (*vide* Article 366). New accounts are opened by filling up the particulars, such as name of office, number of account, name of depositor, or class

of account, from the information contained in the index cards relating to new accounts and in the lists of 'dead' accounts reopened, received from the Post Office. The entries necessary for opening a new ledger account should all be made by the auditor in charge of the Post Office personally, but the amount of the transaction necessitating the opening of the account should not be posted by him, being left over for posting by the Book-keeping machine along with the posting of other ledger cards.

When a deposit or withdrawal takes place in respect of an account which has been previously classed as "dormant", fresh cards need not be opened (*vide* Article 363). The transactions should be continued on the old cards which should be brought up-to-date by the posting of interest.

287. Whenever a revised Index Card is received from the Postmaster, necessary corrections in the ledger card should be made, if the revised Index Card is found to be in order. The correction in the card should bear the dated initials of the auditor making the correction and the words "*vide* Revised Index Card with—(month and year)" should be written in red ink.

288. All ledger cards, excepting those of 'dormant' accounts (which should be kept separately as prescribed in Article 362), should be kept in serial order arranged in series of 400 accounts in cabinets provided with locks, the keys of which must remain in the personal custody of the Supervisor of the group.

#### Posting in Ledger Cards.

289. The ledger cards required for posting, etc., will be taken out by the sorter and will be transferred to the machinist and auditors in tin receptacles. The cards should not be scattered in any way, during the processes of posting or auditing. As it may not always be possible to replace the cards in the cabinet the same day, the tin receptacles with the cards should be stored for the night under lock and key in separate cupboards. At the close of the day, the Supervisor should personally see that the cabinets and cupboards in his charge are properly locked up for the night, in the presence of the auditors and sorters. The keys of all cabinets and cupboards and of the Accounting machine of the group (all in one ring) should, before office is left, be thrown into a locked cupboard through a slit. The key of this cupboard should be in the personal custody of the Senior Accountant of the Section. On no account should Supervisors keep the keys of their cabinets in their custody.

NOTE.—The numbers of the accounts with which each series of 400 ledger cards starts and ends and the number of the drawer in which each series is kept should be neatly entered on a sheet of paper and pasted to a sheet of card board which should be suspended at a convenient spot in the cabinet to facilitate the extraction and replacement of cards.

290. As a result of the preliminary examination described in Article 282, every transaction of withdrawal or deposit, whether by cash or transfer, will be represented by warrants of payments, duplicate copies of Savings Bank acknowledgments or by slips prepared in the Audit Office, etc. All the slips



relating to the transactions during the month should be arranged in serial order according to account numbers, vouchers, etc., relating to one account, being also arranged in order of the date of transaction. After sorting, the sorter will extract the cards from the cabinets and will arrange them along with the new cards opened for fresh accounts or for 'dead' accounts reopened, in serial order of the numbers of accounts. Tin plates will be inserted after the last card of any particular series so as to keep the series separate.

**291.** Any vouchers relating to accounts the cards for which are not forthcoming will be made over by the sorter to the auditor for necessary action. Some of them may relate to accounts which have been treated as 'dormant' or 'dead', while others may relate to cases of transfer, the ledger cards for which have not been received from other groups or other Audit Offices. The auditor will extract the old cards, if any, or open new Ledger Cards for the accounts which have been treated as 'dormant' or 'dead'. In the case of accounts transferred either within the same Audit Circle or from a foreign Audit Circle, the auditor will, on receipt of the list of transfers (credits), prepare a pink dummy card (Form No. A. G. P. T.-345), in respect of every such account, the amount received by transfer as shown in the list being entered in the column 'Deposit' in the usual manner. Subsequent transactions in the account should also be posted in this card. When the original card is received from the transferring Audit Office, the balance of the account should be agreed and the card should be written up to date under the dated initials of the auditor. The entries in the pink dummy card may be cancelled and the card utilized again to save wastage of forms.

**NOTE.**—Instances of wrong numbers quoted in the vouchers or journals or lists should be taken up with the Postmaster promptly.

**292.** The packets of vouchers and the cards, both arranged in serial order of the account numbers, will then be made over to the operator for posting the ledger cards.

The operator will arrange the totalisers to function as follows :—

The dummy totaliser for the column "balance before each transaction" and the live totaliser for the "deposit" column should be so set that the amounts in the cross totaliser will be added, while the live totaliser for "withdrawals" and the dummy totaliser for "balance after each transaction" should be so set that the amounts will be subtracted in the cross totaliser. Before proceeding to post any transactions the operator should see that his totalisers have been properly set and that all five of them are entirely clear of any amounts of a previous posting or tabulation, i.e., that they show a series of ciphers. The posting of each transaction involves the following operations :—

- (i) date of transaction is typed in the first column,

- (ii) amount of the balance after the immediately preceding transaction entered in the card should be posted in the column 'balance before each transaction' ;
- (iii) amount of the transaction itself will be posted in the column for deposits or withdrawals, as the case may be, and
- (iv) amount of the balance after each transaction as shown in the cross totaliser will be entered in the proper column.

If the balance after the transaction differs from that shown in the slip or voucher, a mark should be put against it to draw the attention of the auditor to the discrepancy.

293. The transaction reported in each voucher should be posted in the manner described in Article 292 until all the extracted cards belonging to one series have been posted. When this happens, the fact will be indicated by the operator coming across a tin plate in the heap of cards. The grand total of the amounts of all deposits and withdrawals posted in the cards belonging to that series, as shown in the totalisers for the deposit and withdrawal columns, will then be posted on the master card (Form No. A. G. P. T.-346) and the totalisers thereby cleared of their amounts. The following instructions should be carefully followed in carrying out the postings:—

- (i) In case of transfer of an account to another Savings Bank, the amount transferred will not be posted in the card proper to the account. The amount and other particulars of an account transferred to another office will be typed in a dummy card (Form No. A. G. P. T.-345-A.) while the proper ledger card will be dealt with in the manner prescribed in Articles 305, 306 and 307.
- (ii) The entries relating to the purchase and sale of Government Securities and of interest payments thereon made in the cards should be distinguished by typing against them the letters "P. G. S.", "S. G. S." or "I. G. S." respectively.
- (iii) The amounts of interest on closed accounts remaining unpaid should be posted as a deposit with the word "Interest" noted against each. The operator should also list the amounts of such transactions on a separate sheet of paper and post their total in the master card so as to obtain the net deposit for each series.

#### Verification of Posting.

294. Each entry in the ledger card should be compared with the particulars entered in the corresponding voucher or slip, special attention being paid to the comparison of the balance after each transaction as shown in the card with that copied in the voucher or slip from the journal, *vide* Article 282. Any mistakes that may be found should be carefully investigated and corrected.

All corrections should be made by carefully scoring out the wrong entries and interpolating the correct ones between the lines. In every case in which a correction is made in a ledger card, the consequential correction in the master card for the series must be made at the same time, the number of the ledger card being noted in the "Remarks" column of the master card. All corrections in the ledger or master cards should bear the dated initials of the auditor.

295. Each voucher representing deposit, withdrawal or other transaction, should then be scrutinised to see that the voucher has been properly drawn up, the warrants of payment have been duly signed by the Postmaster and receipted by the payee, and that the transaction has been effected according to the rules prescribed in the Rules for Depositors and in the Posts and Telegraphs Manual, Volume VI. Irregularities detected during audit will be recorded and settled according to the procedure prescribed in Article 335 *et seq.* After checking the transactions posted in each card, the interest-bearing balance up to the end of the preceding month or months should be brought out in the appropriate column of the card. Finally, the auditor should post in the master cards the total number of accounts opened or closed in each series during the month and compare the total amounts of deposits and withdrawals for all the series, as shown in the master cards, with the totals of the corresponding amounts of —

- (i) Savings Bank journals ;
- (ii) Transfer lists ;
- (iii) List of dead accounts reopened , and
- (iv) Intimations of transactions relating to Government Securities.

The result of the comparison and the fact of the agreement should be entered on the master card over the full signature of the auditor. The master card should be passed by the Accountant who should see that no amount is kept unposted unnecessarily. It should then be transferred for agreement with Head Office Control Accounts, *vide* Article 323.

NOTE 1.—If, owing to non-receipt of information from the Postmaster, or any other cause, corrections are made in the journals after the monthly master card has been agreed, the corrections should not be introduced in the body of the master card, but entered below the total with the numbers of the accounts to which they relate and again agreed with the Head Office Control Accounts.

NOTE 2.—All cards of closed accounts should be kept separately, arranged in serial order, in the Section till the interest statements for the year are despatched. They may be transferred to the record room after the end of the year.

NOTE 3.—After the completion of the audit and the verification of posting of each voucher and the agreement of the master cards in the manner indicated above, the applications or withdrawals and warrants of payments should be separated from the other vouchers and formed into separate bundles. The warrants of payments for the final closure of accounts should not, however, be kept in this bundle, but securely pasted on the relevant pass book.

NOTE 4.—Savings Bank Warrants of Payment, as well as all other vouchers, should be initialled by the Auditor checking them.

### Audit of withdrawals.

296. A properly prepared and sanctioned warrant of payment has to be submitted to audit in support of each withdrawal. Its obverse side containing the application of the depositor should be examined to see :—

- (1) that it has been drawn up and signed by the depositor or his agent,
- (2) that the balance before the withdrawal and the number of account have been correctly entered;
- (3) that, if the name of an agent or a messenger is entered on the application, his signature also appears on the application;
- (4) that the certificates prescribed in the Rules for the guidance of Depositors are furnished where necessary,
- (5) that the amount withdrawn does not include a sum which is less than four annas or includes a fraction of an anna [this restriction does not, however, apply to payments in final closure of accounts or to cases mentioned in Rules 44 (k) and 45A (c) of Rules for the guidance of Depositors].

297. The other side of the form constituting the warrant should be examined to see—

- (1) that all the entries have been made by the Postmaster or an authorised member of the Post Office staff;
- (2) that the pay-order has been correctly filled up, date-stamped and signed by the Postmaster or some other officer authorised by the Head of the Circle to carry on Savings Bank work for him;
- (3) that the amount entered in the pay-order corresponds exactly with the amount on the application and with that charged in the Savings Bank Journal and that it does not exceed the balance at credit of the account, and
- (4) that there is the signature of the depositor or his agent or messenger in acknowledgment of the payment.

### Closing of Accounts.

298. In addition to the usual warrant, the final closing of an account should be supported by the depositor's pass book which should be carefully examined to see :—

- (a) that the last entry has been initialled by the Postmaster;
- (b) that the closing entries required by rule have been made; and
- (c) that the procedure laid down in Rules 450 and 451 of the Posts and Telegraphs Manual, Volume VI, has been strictly followed.

299. A depositor's account cannot be regarded as closed as long as he has Government Securities in the custody of the Accountant General, Posts and

Telegraphs. If such an account should inadvertently be closed, the pass-book should be returned to the Postmaster with instructions to reopen the account under its original number, for credit of interest on the depositor's Government Securities periodically as advised by the Deputy Accountant-General. Posts and Telegraphs (Government Security Section), Calcutta.

#### Interest on Closed Accounts.

300. While auditing the transactions, the auditor should calculate independently the interest for the current year on closed accounts and compare the result with the amount passed by the Postmaster and entered in the warrant and Journal. If the difference does not exceed two annas, the Postmaster's calculation should be accepted as correct. If it exceeds that amount, the correct amount should be entered in the journal and warrant, and the Postmaster asked to arrange for recovery or refund. In the case of accounts closed before the receipt of annual interest statements, if the Postmaster shows the interest for the whole of the previous year in the column 'interest' for the current year, the mistake should be rectified in the journal, and the total of the abstract in the fourth week's journal should be corrected accordingly.

301. When an account which was treated as 'Dead' is re-opened by the Postmaster and shown in his list of dead accounts re-opened, a ledger card should be opened anew in the depositor's name under the old number (or the old card, if any, should be taken out) if it was originally a "Post Office Savings Bank Accounts", or under a new number if it was a "District or Presidency Savings Bank Account" or an account of a defunct or any converted Post Office. The original balance should be posted in the card in the column for opening balance against an entry "Dead account re-opened (date)", but the arrear interest should be entered separately in the card to facilitate the adjustment referred to in the Note to Article 324. The amount, *i.e.*, the original balance, will then be treated as a cash deposit and will be included in the total of deposits in the master card against the series to which the account belongs.

302. Entries in the ledger cards of interest additions and deductions communicated to Postmasters during the year under Article 358, and the arrear interest on the dead accounts under Article 368, should be made in red ink below the opening balance in column 2 so that the total amount of interest may find place in the agreement made under Article 323. The interest-bearing balances entered in column 6 should be altered to the extent of such corrections by *plus* or *minus* entires in red ink, and the balances in column 5 should be suitably altered.

#### Transfers of Accounts and their Clearance.

##### *Inland Transfers.*

303. The rules governing transfers of Savings Bank accounts from one Indian Post Office to another will be found in Rule 31 of the Depositors' Rule

and Rules 460 to 477 of the Posts and Telegraphs Manual, Volume VI. These transfers merely involve a transfer of existing credits from the books of one office to those of another and consequently do not affect the cash account or the Balance Sheet of the Post Offices concerned or the amount at credit of the account head "Post Office Savings Bank deposits" in the Government account.

Each debit transfer, *i.e.*, transfer made by one Post Office to another, must be responded to in the list of credit transfers of the receiving Post Office, by the end of the month following that of transfer and the pairing of each debit with the corresponding credit is an essential part of the audit of transfer transactions. In order that the work may be done promptly and correctly, it should be entrusted to a special auditor or group of auditors called Transfer clerks, who should also be responsible for collecting and despatching the ledger cards of accounts transferred to other Audit Circles, and also for the receipt and disposal of ledger cards similarly received in transfer from other Audit Circles.

**304.** Transfers of accounts are prohibited between the 16th and 31st March each year, but if for some reason a transfer does take place in that period, the auditor should, before transferring the ledger card, ascertain from the auditor of the receiving Post Office (whether in the same or in another Audit Office) whether the opening entry has appeared in the list of the receiving Post Office for that month. If no such entry is traceable in the same month, the transfer should be struck off list for March and included in the list for the first week of April, the Postmaster being informed of the correction, and the case reported to the Head of the Circle concerned.

NOTE.—In the case of accounts transferred in the beginning of a financial year before the Post Office has received the annual statement of interest for the past year from the Audit Office the balance shown by the transferring office will generally be exclusive of interest. In such cases the interest should be added to the balance, and the receiving Post Office advised of the alteration in Form No. A G. P T.-348. The list of 'debit transfers' should also be corrected neatly in ink.

**305.** As mentioned in Article 281, every Post Office submits along with the Savings Bank Journals separate Journals of all (i) Debit transfers, *i.e.*, transfers made by it to other Post Offices, and (ii) Credit transfers, *i.e.*, transfers to its books from other Indian Post Offices. The amounts of transfer should not be posted in the Deposit or withdrawal columns of the ledger cards, as the latter are themselves transferred from the account group of the old office to that of the new.

On receipt of the debit transfer journals, green dummy cards are prepared in respect of each transfer and sorted serially according to account numbers. Ledger cards are then picked out from the cabinet with reference to these dummy cards and the balances verified. A red ink line is drawn across the first five columns of the ledger card just below the last entry of the card ledger, and a vertical line is also drawn on the top of the ledger card just beside the name of the transferring office on the left hand side of which 'the date of

transfer ' and on the right hand side ' the name of the receiving office ' are noted. The ledger cards of the accounts, the balances of which agree, are passed on at once to the auditor of the receiving office. The ledger cards of the accounts, the balances of which differ from those shown in the debit journals, are made over to the auditor of the receiving office after the completion of posting for the month. Discrepancies, if any, are notified to the Postmasters in the ordinary course in Form No. A. G. P. T.-347. On receipt of the ledger cards from the auditor of the transferring office, the auditor of the receiving office notes the account number of the receiving office in the green dummy card as well as in the ledger card and the date of opening the account in the new office in the ledger card. He then returns the green dummy card after initialling in the column provided for the purpose

In the case of transfers under the jurisdiction of Foreign Audit Offices, the procedure for the transfer of the ledger cards is the same except that the cards are made over to the transfer clerk who initials in the appropriate column of the green dummy card and that the new account number is not noted.

**306.** When the credit journals are received, a pink dummy card is prepared by the auditor of the receiving office in respect of each account received on transfer for which the ledger card has not been received by him. The transactions entered in the pink dummy cards are transferred to the respective ledger cards as soon as they are received and the dummy cards cancelled. The ledger cards received are kept along with other cards of the receiving office and the balance transferred is included in the monthly master card.

#### Posting of transfer transactions.

##### *Debit Transfers.*

**306-A.** (a) The debit transfer journals received from the Post Offices are prepared in the order of occurrence of the transactions while the Audit Office records are maintained in serial order divided into series of 400 accounts. The debit transfers as shown in the Post Office Journals, cannot therefore be incorporated into the master cards in respect of each series without splitting them up and grouping them into transactions relating to each series. The green dummy cards prepared under Article 305 are made over to the machinist along with the account cards and the vouchers, after agreeing the balance in the manner indicated in that Article. While posting the cash transactions in respect of each series, the machinist should post the debit transfer figures as per the green dummy cards in a separate list in serial order for each series with a view to incorporate the figures in the vertical totaliser under the withdrawal column. Then the amounts of deposits and withdrawals for each series which thus include the debit transfer figures relating to that series are cleared in the master card. The separate list should be totalled on the machine and the total agreed with that of the Post Office Debit Transfer Journal by the auditor.

*Credit Transfers.*

(b) As in the case of debit transfers, a list of credit transfers should be prepared by the machinist on the machine according to each series, where more than one series is concerned for the purpose of inclusion in the master card and a final total struck.

It should be seen that the credits shown in the Post Office Credit Transfer Journals tally with those in the Audit Office ledger cases. In cases of discrepancy the figures in the Post Office Journal will be corrected by a reference to the corresponding debits of the transferring office in the case of transfers under the same Audit Circle and to the lists in form A. G. P. T.-349 in the case of transfers from the Post Offices under the jurisdiction of other Audit Offices. Any corrections found necessary on receipt of cards from the other Audit Offices will be made in the respective volumes of the master cards of the succeeding month.

*Transfers to other Audit Circles.*

**307.** On the completion of the monthly postings and agreement, the weekly lists of transfers received from Post Offices should be made over to the Transfer clerks. The lists of debit transfers should be completed by entering against each item the name of the Audit Circle in which the receiving office is situated and then arranged according to Postal Circles and names, in alphabetical order, of the *transferring* offices. A list should then be made out, in Form No. A. G. P. T.-349, of all accounts transferred to offices in the jurisdiction of each other Postal Audit Office and sent to the Audit Office concerned within 4 days from the date of completion of audit and agreement. The Transfer clerks of the receiving Audit Office should check the ledger cards received from other Audit Circles with the covering list. The cards should then be distributed to the auditors concerned, who should acknowledge receipt in the remarks column of the list, which will be recorded in the transfer group.

*Consolidation of Debit Transfers.*

**308** The preliminary step in pairing debits and credits is the isolation of accounts transferred to other Audit Circles. The total amount and number of accounts transferred from each office are entered in Form No. A. G. P. T.-350, transfers between offices within the Home Audit Circle being shown separately from those involving other Audit Circles, and the grand total of the latter agreed with the grand total of the amounts appearing in the lists of outward transfers sent to other Audit Offices (*vide* Article 307).

To the grand total of transfers within the Home Audit Circle should be added, in column 3 of the Form, the totals of the amounts appearing in the lists of transfers received from other Audit Offices, to arrive at the sum that should be taken to credit by the Post Offices in the Home Audit Circle.

Column 7 of the current month's debit transfer lists and column 8 of the previous month's debit transfer lists should then be totalled and the consolidated total should be worked out on the consolidated statement of transfers.



debited. The consolidated statement, the debit transfer lists, and the lists of foreign inward transfers relating to each month should then be bound together.

### *Consolidation of Credit Transfers*

309. (a) The lists of credit transfers for the month should be similarly arranged in alphabetical order and the total number and amount of accounts received in transfer in each Post Office during the month should be compiled and totalled in Form No. A. G. P. T.-351.

(b) This grand total should agree with the totals of columns 7 and 8 of the debit transfer lists for the current and previous months respectively.

### *Clearance of Transfers.*

310. The lists of debit and credit transfers should be compared and each credit posted against the corresponding debit in the lists of transfers debited or in the lists of transfers received from Foreign Audit Offices in the column "same month" or "next month", as the case may be, and the date of debit noted against each item in the credit list.

311. *Deleted.*

### *Transfers with Foreign Countries.*

312. Transfers are permitted under certain restrictions between the Indian Post Office Savings Bank and the Postal Savings Bank of (i) the United Kingdom of Great Britain and Northern Ireland, (ii) Irish Free State, (iii) Union of South Africa, (iv) Straits Settlements, (v) Federated Malay States, (vi) Tanganyika Territory, and (vii) Ceylon and the rules governing them will be found in Rules 478 and 479 of the Posts and Telegraphs Manual, Volume VI. Transfers to and from Foreign Postal Savings Banks affect the amounts at charge of the head "Postal Savings Bank deposits" and necessary adjustments have to be made through transfer entries in the Account Office. Foreign transfers do not affect the Balance Sheet of the Post Office concerned nor do their amounts enter into the cash accounts.

The actual transfer between India and the Foreign Country is effected by the Deputy Accountant General, Posts and Telegraphs, Calcutta, and all correspondence with the Foreign Postal authorities is carried on by that Officer.

All work, both in the Branch Audit Offices as well as in the Calcutta Audit Office, relating to transfers of Savings Bank accounts to or from Foreign Countries should be treated as 'Urgent' and any unusual delay in the disposal of application in the Post Offices should be brought to the notice of the Postmaster concerned, and reported, if necessary, to the Head of the Circle.

*Foreign Outward Transfers.*

## PROCEDURE IN BRANCH AUDIT OFFICES.

**313.** Applications for the transfer of accounts from the Indian Post Office Savings Bank to the Post Office Savings Bank of a Foreign Country are generally received in the Branch Audit Office with the Savings Bank Journal but sometimes they may be received separately.

The applications should be compared with the entries in the Journal and in the ledger card and scrutinised to see that they are in order and that the account is one which can, under the rules, be transferred to a Foreign Country. After rectifying the irregularities and verifying the balance of the account exclusive of interest for the current year, the auditor should calculate independently the interest due upto the end of the month preceding that in which the transfer of the account is completed in the Audit Office and convert the total amount to be transferred into sterling at the rate of exchange in force for the issue of foreign sterling money orders in India, on the date of completion of transfer of the account in the Audit Office.

The card ledger account should then be closed with the remark "transferred to the Post Office Savings Bank of——" in ink. All applications should be entered in a register in Form No. A. G. P. T.-352 and forwarded to the Deputy Accountant General, Posts and Telegraphs, Calcutta, once a week with a schedule in Form No. A. G. P. T.-353. The register should be submitted to the Gazetted Officer every time applications for transfer are disposed of.

**NOTE.**—If a depositor has unsold investment certificates or Government Promissory Notes in the custody of the Accountant General, Posts and Telegraphs, these must be sold or taken delivery of before the transfer can be made. But if the depositor leaves India without submitting an application to that effect, the transfer should be made, without delay, of the balance as shown in the Audit Office ledger card and the amount realised from the sale of the securities should be transferred separately.

**313-A.** In cases where the applications for the transfer of Savings Bank Accounts to Foreign Post Offices are received from depositors direct in the Audit Office they should be sent to the Postmasters concerned with a forwarding letter in Form A. G. P. T.-379 for necessary action and the depositors intimated (in form A. G. P. T.-380) if necessary.

## PROCEDURE IN THE GOVERNMENT SECURITY SECTION OF THE CALCUTTA AUDIT OFFICE.

**314.** On receipt in the Calcutta Audit Office, the applications should be examined again to see that they are properly filled in, that the balances in Indian currency and sterling have been correctly noted and that the depositor is entitled to have his account transferred under the rules.

If in order, the applications should be entered serially, as received, in the Register of Savings Bank Accounts Transferred, in Form No. A. G. P. T.-354, for the Country concerned. If any application is found defective, a reference

should be made to the Audit Office concerned, and the application should be registered only after the defect has been remedied.

NOTE.—If the depositor has any Government Securities in the Accountant General's custody, an application for their sale or delivery will be received in the Government Security Section for disposal and in the event of the securities being sold, the sale-proceeds should also be transferred to the Foreign Country concerned, in the same way as the ordinary balance

**315.** On every mail-day, a schedule of Savings Bank accounts transferred to the Postal Savings Bank of each country should be prepared in duplicate in Form No. A G. P. T.-355 or 355-A, as the case may be, and both the copies despatched to the postal authorities concerned together with the applications. The duplicate of the schedule will be received back with a certificate that the amounts transferred have been credited to the several depositors in their Savings Bank accounts and should be recorded after agreement with the register.

**316.** The entries in the several columns in the register should be totalled at the close of every month, and the total amount transferred to each Foreign Country from each Postal Circle should be adjusted by a transfer entry debiting "Post Office Savings Bank Deposits". The *per contra* credits for transfers to the United Kingdom of Great Britain and Northern Ireland or to the Irish Free State, should be taken to the head "Accounts between England and India", and those for transfers to other countries to the head 'Savings Bank transfers' under 'Account with Foreign Governments and Indian States' which is finally cleared, on receipt of the Money Order Exchange Account, by credit to the proper Remittance head.

#### *Foreign Inward Transfers*

### PROCEDURE IN THE GOVERNMENT SECURITY SECTION OF THE CALCUTTA AUDIT OFFICE.

**317.** Weekly schedules, in duplicate, of Savings Bank accounts transferred from the Postal Savings Banks of other countries to the Indian Post Office Savings Bank are received in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, accompanied by the depositors' applications. On receipt, the particulars of the applications received from each country should be entered in a register in Form No. A. G. P. T.-356, the entries being arranged according to Postal Circles. The applications should be forwarded with a covering letter in Form No. A. G. P. T.-378, to the Postmaster of the office in which the account is to be opened with instructions to open an account in the name of the depositor, or credit the balance to his account, if he is already a depositor, and the depositor should be advised to appear at the Post Office to complete the transfer.

The duplicate copy of the schedule received from Foreign Savings Bank authorities should be returned by the next mail for that country, after completion of the necessary certificates and an extract from the schedule, in Form No. A. G. P. T.-357, showing full particulars of all accounts transferred to the Post

Offices in each Postal Circle in India, should be sent weekly to the Audit Office concerned.

The Inward register should be totalled at the close of every month, and the total for each Postal Circle adjusted by a transfer entry in the Circle concerned, an intimation of the adjustment being sent to the Audit Office as in the case of outward transfers.

#### PROCEDURE IN BRANCH AUDIT OFFICES.

**318** The entry relating to an Inward Foreign transfer appearing in the Savings Bank Journal should be examined with reference to the particulars entered in the extract and then taken to the Savings Bank ledger card. The date of opening of the entry in the ledger card should be the date on which the schedule is received in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, which will be quoted in the extracts forwarded by that office.

If a new account is opened, Index cards will be received with the journal and a new ledger card should be opened according to the usual procedure.

**319.** Post Offices are required to return the application for transfer after noting on it the number of the account opened, and the date on which the depositor attended the Post Office to complete the transfer, and the return of the application should be carefully watched. On receipt, the completion of transfer should be noted against the entry in the extract and the applications filed. Transfers, which have not been completed by the depositors within three months of the date of receipt of the extract, should be reported to the Deputy Accountant General, Posts and Telegraphs, Calcutta.

#### Settlement with Foreign Countries.

**320 (a)** *With Great Britain and Northern Ireland or the Irish Free State.*—The amounts of transfers between India and Great Britain and Northern Ireland or the Irish Free State are adjusted through the head “Accounts between England and India.” The amount of  $\frac{\text{outward}}{\text{inward}}$  schedules should be shown on the  $\frac{\text{debit}}{\text{credit}}$  side of the British Postal Order Account as “Imprests repaid”, and “Imprests received” and the difference shown as “Remittance on account of Savings Bank transfers”

**(b)** *With other countries.*—Settlement with other countries is effected through the Money Order Exchange Accounts, in which the transfers are shown as special items supported by the monthly Savings Bank account of transfers. The Branch Audit Office, immediately on receipt of the monthly accounts of transfers (Outward and Inward) from the different Administrations, should forward them to the Calcutta Postal Audit Office, after verifying the total  $\frac{\text{debit}}{\text{credit}}$  with the amount shown in the Money Order Exchange Accounts. The  $\frac{\text{credit}}{\text{debit}}$  to the adjusting head is then transferred to the head “Remittance” of the

Country concerned The progress in the adjustment of transfers between India and other countries is watched through a register maintained in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta.

### Control Accounts.

321. Agreement between the total amount of deposits, withdrawals and balances at the credit of all Savings Bank accounts in each Post Office and the corresponding amounts appearing in the Circle Abstracts is secured through a Control Account for the year, maintained separately for each Head Post Office. The Control Account is opened by entering the number of Savings Bank accounts open and the total amount at their credit at the end of the preceding year, in Form No. A G. P. T -358, in which the progressive figures should be worked out and proved month by month as described in Articles 322 to 332.

322. The number of accounts opened, closed and transferred, and the number and amount of all transactions, including transfers, occurring in each month, should be posted each month from the documents mentioned below :—

- (a) The number and amount of cash transactions as well as the number of accounts opened or closed by cash should be posted from the abstract prepared on the last page of the last week's journal of Savings Bank transactions of each office (*vide* Article 283).
- (b) The number of accounts as well as the balance transferred to, or received in transfer from, other Post Office Savings Banks in India should be taken from the lists of transfers debited or credited after they have been checked and consolidated in the manner laid down in Articles 307 to 311.
- (c) The number and balance of accounts transferred to, or received in transfer from, Foreign Post Office Savings Banks should be taken from the registers and schedules relating to foreign outward and inward transfers.
- (d) The number and balance of dead accounts reopened should be compiled from the lists of dead accounts reopened (*vide* Article 368).
- (e) The amounts involved in the sale and purchase of Government Securities as well as the amounts of interest payment orders should be obtained from the individual intimations and payment orders received from the Government Security Section of the Calcutta Audit Office. The individual amounts should be compiled into monthly totals, which should be included in the Control Account.
- (f) The total amount of interest on closed accounts, the net amount of interest additions and corrections and the total of arrear interest on dead accounts re-opened, should be included in

the Control Account as a deposit once in every two months in respect of those offices only whose two-monthly verification has been effected.

**323.** The monthly postings in the Control Accounts should then be totalled and the number of accounts open and the total amount at their credit worked out. The monthly totals so worked out should then be compared with the corresponding figures in the master card for the Post Office and discrepancies intimated to the auditor concerned for reconciliation. On the figures being reconciled, the master card should be signed by the clerk in charge of the Control Accounts

**NOTE 1.**—The interest on closed accounts entered in the master card should be noted in the Control Account as a deposit with the words "Interest on closed accounts" before it.

**NOTE 2.**—A Memo of verification of balances for each office in Form No. A. G. P. T.-346 will be sent to the clerk in charge of the Control Accounts once in two months along with the master cards for the month. He should see that the closing balance shown in the verification memo agrees with that shown in the Head Office Control Account and initial it in token of agreement.

**324.** After all the master cards for a month of all the offices in a circle have been agreed, the total interest on closed accounts of the whole circle should be worked out on the reverse of a transfer entry form and the total amount adjusted by credit to "Savings Bank Deposits" and debit to "Interest on other obligations—Interest on Savings Bank deposits", the deposits as per detail books being made to agree with the entries in the Head Office Control Account.

**NOTE.**—Similarly the arrear interest on dead accounts re-opened and the interest additions and corrections during the month should be adjusted by transfer entries every month before the Control Account is closed for the month.

#### Proving with Detail Book.

**325.** The figures appearing in the Control Account of each Post Office included in the same Circle should then be consolidated in Form No. A. G. P. T.-358 to obtain the totals for the entire Circle which should be reconciled with the corresponding figures in the Detail Book of the Circle and the consolidated statement of transfers referred to in Articles 308 and 309.

It should be noted that the amounts appearing in the Circle Detail Books consist of (1) the total cash deposits and withdrawals shown in the monthly cash accounts, (2) the net result of the transfer entries made in the Audit Office, on account of dead accounts reopened as well as for other causes, and (3) the total of all transfer entries made in the Office, on account of transfers to and from Foreign Savings Banks and on account of Government Securities (value and interest).

#### Proving with General Abstract.

**326.** A register in Form A. G. P. T.-359 should be maintained in each Audit Office for the reconciliation of Savings Bank figures with the Detail Books.

As soon as the accounts of a month are closed, the Postal Accounts Section should send to the Savings Bank Section a statement in Form No. A. G. P. T.-359-A showing, for each circle, deposits and withdrawals in cash, and the additions and deductions resulting from transfer entries including Central Office adjustments. The register should be posted from this statement and from the monthly consolidated statement referred to in Article 325, any differences between the two sets of figures being explained in the last column. If the difference be due to any error or omission of adjustment, a transfer entry should at once be prepared and forwarded to the Postal Accounts Section, the number of the entry being noted in the explanation.

**327.** The Government Security Section of the Calcutta Postal Audit Office should forward to each Audit Office monthly statements (Form No. A. G. P. T.-238) showing the total amounts adjusted on account of purchase and sale of Government Securities and of interest thereon. If the totals arrived at from the detailed intimations do not agree with the figures intimated, and the difference cannot be located, the Calcutta Audit Office should be requested to explain it. The Government Security Section should also forward to the Audit Offices a statement in Form No. A. G. P. T.-377 showing the total adjustments in the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta, on account of inward and outward foreign transfers not later than the 25th of the next month. These figures should be agreed with the figures arrived at from the extracts of schedules of inward transfers and the register of outward transfers. The register should be reviewed by the Accountant in charge of the Savings Bank Section and placed before the Gazetted Officer on the 10th of each month.

**328.** On completion of the reconciliation, an extract from the register should be sent to the Accountant General on the 10th of the third month following the month of account, which should show, in red ink in the first column, the amounts included in the Savings Bank books on account of—

- (a) Purchase of Government Promissory Notes,
- (b) Sale of Government Promissory Notes,
- (c) Interest on Government Promissory Notes,
- (d) Transfers to and from Foreign Post Office Savings Banks.

A second memorandum containing the latest figures for the month of March each year should be submitted to the Accountant General so as to reach him not later than 15th August, in addition to the usual monthly intimation on the 10th June.

NOTE.—Interest on, and sale proceeds of, Investment certificates should be dealt with as interest on, and sale-proceeds of, Promissory Notes.

**329.** On receipt of the extracts in the Accountant General's Office, the figures shown in the columns "as per Savings Bank books" should be compiled in columns 3 and 6 of a register in Form No. A. G. P. T.-360. The figures as per Detail Book should be posted in columns 2 and 5 from the General Abstract

and the difference worked out in columns 4 and 8 and explained on the reverse of the form. This register should be reviewed by the Accountant in charge of the Book Section, and placed before the Gazetted Officer for review.

**330.** A verification of the closing balance of each account should be made once in every two months to check whether the transactions have been posted in ledger cards correctly. The Post Offices included in each audit group should be divided into two sets, so that the verification in respect of each set may be made every alternate month and all the offices in the group may be verified every two months.

**NOTE.**—The first two-monthly verification of April and May accounts may be suspended at the discretion of the Deputy Accountant General if the rush of annual work does not admit of its being carried out.

**331.** The verification should be undertaken after the ledger cards have been replaced in the cabinet on completion of audit of the accounts for the fourth week. All the cards of the offices due for verification should be extracted and made over to the operator for listing on the Accounting machine after inserting tin-plates at the end of each series. The operator should list and total the closing balances separately for each series of accounts, the number of accounts being typed at intervals of, say, forty or fifty accounts.

**NOTE.**—The amounts transferred every month from Dormant ledgers to live cards as shown in the Broadsheet in Form No. A. G. P. T-372, should be taken into account at the time of verification.

**332.** The total for each series as certified by the operator should be compared and should ordinarily agree with that shown in the Memorandum of verification for the month. In case of disagreement, the auditor should locate the mistake by referring, if necessary, to the cards, posting slips, and previous compilation, etc. After reconciliation, he should sign the verification memorandum, in token of agreement and pass it on, along with the master card, to the Head Office Control Account Keeper.

#### Statistical Returns.

**333.** The following statements should be prepared and sent to the Central Office on the dates mentioned in each item.—

- (1) Memorandum of monthly reconciliation with Detail Book figures to be sent not later than the 10th of the third month following in Form A. G. P. T-359.
- (2) A monthly statement showing the number of transactions under "Deposits, Withdrawals and transfers" separately and another showing the amount booked under "Deposits and Withdrawals" as per Detail Book should be sent so as to reach the Central Office on the 13th and 27th respectively, of the month following the month of account.
- (3) Annual statement of Savings Bank transfers (Inland), to be sent not later than the 12th July.





The entries in the ledger card in the case of short payment or overpayment of interest should be as follows :—

Interest.						Rs.	A.	P.
Correct amount	..	..	.	..	.	0	3	0
Short paid	..	.	.	..	..	0	0	6 (in red ink).
Actual payment	.	.	.	.	.	0	2	6
Correct amount	..	.	..	..	.	0	2	0
Overpaid	.	.	.	.	.	0	0	6
Actual payment	.	..	..	.	.	0	2	6

**338.** The interest actually paid by the Postmaster (as shown in Article 337 against the entry "actual payment") should be entered in the master card. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster's special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster's carelessness.

**339.** Short payment or overpayment of principal (not exceeding two annas) should be dealt with as follows :—

The correct amount that ought to have been paid should be shown in the ledger card as a withdrawal and the account closed. The master card also should show the correct amount payable.

Each item of such short payments or overpayments should be entered in a register of objections waived (Form No. S. Y.-265), and maintained by the clerk in charge of the Control Accounts (one register for each Postal Circle). The register should be initialled by the Accountant of the Section as each entry is made, and by the Gazetted Officer monthly on the 25th.

**340.** After the postings of each month's transactions are completed and all such petty objectionable items entered in the register, the latter should be totalled and the net resulting amount of short payments or overpayments should be adjusted by a transfer entry crediting or debiting "Fees and Other Receipts—Other Items" or "Abstract J. V.—Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable over payments", as the case may be. On the Savings Bank side, it should be shown as addition to "Savings Bank withdrawals" in case of short payment or deduction therefrom in case of overpayment.

**340-A.** Items of objection on account of short payments or overpayments of sums exceeding annas two but not exceeding Re. 1 in respect of Principal and Interest may be waived when the correspondence thereon tends to become protracted and the items do not disclose any wilful neglect of duty on the part of any Postal Official and do not form one of a series pointing

to a systematic fraud. Items exceeding Re. 1 but not exceeding Rs. 5 may also be waived by the Deputy Accountant General if, after correspondence with the executive officers concerned, it is found that the recovery is practically impossible and that there is not sufficient reason to press for serious disciplinary action. The items waived should be entered in a register in Form S. Y.-265 and the amount should be totalled and adjusted monthly by transfer entry. The entries in the register should be attested by the Senior Accountant and reviewed monthly by the Gazetted Officer

**341.** Particulars of amounts waived under Article 339 should be entered on the last page of the fourth week's Savings Bank journal, below the abstract referred to in Article 283, before it is made over to the clerk in charge of Head Office Control Account. The net result for each Head Office Savings Bank should be worked out from the register by the clerk in charge of the Head Office Control Account and noted on the reverse of the adjusting transfer entry, and after this is passed, it should be taken in the Head Office Control Account with a *plus* or *minus* entry, under withdrawals

**342.** When an item of unpaid or short-paid interest on a closed account appears in the Cash Account, the credit should be taken to the head "Fees and Other Receipts—Other Items" and if a depositor should at any time claim payment of an amount so credited, the debit should be taken to the head "Deduct—Refunds", the corresponding credit in the schedule of Unclassified Receipts being first traced.

#### Review of Audit.

**343.** (a) The test-review to be done daily by each of the Savings Bank Supervisors and Accountants should be as follows:—

##### SUPERVISORS.

- |                                                                   |    |    |                 |
|-------------------------------------------------------------------|----|----|-----------------|
| (1) Check of Payments with warrants and ledger cards              | .. | .. | 15 items a day. |
| (2) Check of Interest-bearing Balances                            | .. | .. | 15 items a day. |
| (3) Check of Admissibility, etc., of new accounts                 | .. | .. | 5 items a day.  |
| (4) Check of Entries in the ledger cards with revised Index cards | .. | .. | 2 items a day.  |

##### ACCOUNTANTS.

- |                                                      |    |    |                |
|------------------------------------------------------|----|----|----------------|
| (1) Check of Payments with warrants and ledger cards | .. | .. | 5 items a day. |
| (2) Check of interest-bearing Balances               | .. | .. | 5 items a day. |
| (3) Check of Admissibility, etc., of new accounts    | .. | .. | 2 items a day. |

**Exception.**—The test review work may be suspended from the 24th April to the 15th June.

**N.B.**—With the permission of the Head of the office, the aggregate of the week's review may be conducted once in a week if this arrangement is considered convenient.

(b) Each Supervisor should examine daily one drawer of the cabinet to see that the cards are in serial order. He should also examine the desk of one auditor each week and should show in his diary:—

- (i) the name of the clerk whose desk was examined,

- (ii) the date on which the desk was examined,
- (iii) the oldest dates of pass books, index cards, applications for withdrawal and warrants of payments, applications and advices of transfer, letters, and any other documents found with the clerks and whether these are or are not behind the due dates.

The desks of the auditors and the almirahs in the Section will also be examined by the Accountants.

(c) Each Supervisor and each of the Accountants will maintain a diary in Form No. A. G. P. T.-444, in which the results of their review should be recorded. All the diaries should be submitted to the Gazetted Officer in charge every Monday.

NOTE 1.—The review should not be confined to the ledger cards of a particular volume or office for a whole week, it should be so arranged that the cards of different volumes and offices come under review from time to time.

NOTE 2.—The items to be reviewed by Accountants should be selected from out of those checked by Supervisors

#### Calculation of interest on Savings Bank Accounts.

**344.** Interest on the balances at credit of Savings Bank accounts is allowed at the rate prescribed by the Government of India from time to time (*vide* Article 349) and is calculated in the Audit Office once a year after the transactions for the month of March have been posted into the ledger cards and the postings have been proved. As stated in Article 295, the amount on which interest has to be paid each month is calculated and entered in the ledger account at the time the ledger postings are audited. For the annual calculation, the interest-bearing balances for the months of the year are totalled and the total amount of interest due for the whole year is calculated by applying to the sum of the interest-bearing amounts the *monthly* rate of interest fixed by Government. The amount of interest on each account open in a Head Post Office is then compiled into a statement in Form A. G. P. T.-364 and despatched to the Postmaster after the correctness of the compilation has been proved.

**345.** In order that the annual calculations may be finished within a reasonable period and the interest statements despatched to Post Offices by the due date, the work should be distributed amongst the entire staff of the Savings Bank Section. It may even be necessary to entrust a portion of the work to such members of other sections of the office as may be willing to undertake the work in addition to their normal duties. The Accountant in charge should formulate his proposals for the distribution of the total number of accounts between the Savings Bank Section and the staff of other sections in the first week of February of each year and obtain the orders of the Deputy Accountant General.

Persons entrusted with the annual work are eligible for overtime allowances at such rates and such conditions as may be authorised by the Government of India.

NOTE.—Sorters and Journal clerks attached to Savings Bank groups should not be included in the general distribution amongst the men of the Savings Bank Section but may be allotted, at the discretion of the Deputy Accountant General, as many accounts as they are prepared to undertake in addition to their normal duties.

346. Members of the Savings Bank Section are expected to deal with the following numbers of accounts during the period allowed for the annual closing and calculation of interest—

Auditors .. .. .	..	8,000 each (cards and dormant ledgers.)
Head office ledger keepers .. .	..	6,000 "
Transfer Register clerks .. .	..	6,000 "
Supervisors .. .. .	..	2,000 "
Record Clerks .. .. .	..	3,000 "

The numbers given above represent the minima expected of the various clerks and there is no objection to any clerk undertaking a larger number if he volunteers to do so.

Volunteers from other sections should be allotted as many accounts as they are prepared to undertake in addition to their normal duties.

346-A. The Savings Bank Annual Interest statements should not be sent out unless the original interest calculations of 20 per cent. of the total number of accounts both 'live' and 'dormant' of all the Post Offices have been checked. A lower percentage may however be fixed by the Deputy Accountant General if insistence on 20 per cent. is likely to involve delay in the issue of interest statements, but it should never be less than 10 per cent. The checkers should always be men of the Savings Bank Section only, preferably the Supervisors and Auditors of groups. The auditors of the Central Account Group may also be utilised for the purpose if considered necessary.

A record of the accounts checked should be kept by each checker in a list concurrently with the check itself. The lists should be submitted weekly to the Gazetted Officer in charge till the interest statements are ready for despatch, when a certificate to the effect that the required percentage of accounts has been checked should be recorded on the office copies of the Interest Statements. The lists and the Interest Statements with the certificate, should be submitted to the Gazetted Officer along with the forwarding letter referred to in Article 357. The lists should finally be kept attached to the office copies of the Interest Statements.

NOTE.—The Senior Accountant of the S. B. Section should check interest entries of 3,000 accounts in addition to his other duties and the Accountant, or each of the Accountants when there is more than one Accountant, should check 5,000 accounts. The accounts checked by the Senior Accountant and the Accountant, should include an adequate number of those checked by Supervisors and Auditors and this check should be completed before the interest Statements are sent out. They are not entitled to overtime allowances for checking interest calculations.

**347.** The distribution of annual work to the various assistants in and out of the Section should, after approval by the Deputy Accountant General, be entered in a separate manuscript register showing the name of the individual, the name of the Head Post Office, the numbers of the series allotted to him and the number of cards taken and returned by him with dates thereof. In case of loss of any card, it should be possible for the Deputy Accountant General to fix responsibility on the proper person and to take such disciplinary action as he may consider necessary. It should be seen that all the cards are returned to the group when the interest statement is ready for despatch.

**348.** The interest statements should be despatched to the Post Offices by the 7th June each year at the latest. The dates shown in the subjoined table fixing the periods for the completion of different stages of the annual work as well as the current work should be adhered to. Actual progress of the work shown against these dates should be watched through a special register which should be submitted to the Head of the Office every Monday. The due dates shown in the table should be incorporated in the "State of Work Report" for the months to which they relate.

Item No.	Details of Work.	Due date for Completion.
<b>ANNUAL WORK.</b>		
1	Interest calculation, closing, listing and totalling interest statements of Dormant Ledger Accounts.	20th April.
2	Interest calculation and closing of live accounts ..	14th May.
3	Checking of interest calculations .. ..	31st May.
4	Listing and totalling of interest statements of live accounts .	22nd May.
5	Final agreement of balances on 31st March . ..	31st May.
6	Despatch of interest statements .. ..	7th June.
<b>CURRENT WORK.</b>		
7	Completion of audit, etc., of April accounts .. .	26th June.
8	Completion of audit, etc., of May accounts .. ..	12th July.
9	Completion of audit, etc., of June accounts . . .	26th July.
10	Verification of balances at the end of June .. .	5th August.
11	Completion of audit, etc., of July accounts . . .	24th August.
12	Verification of balances at the end of July .. ..	31st August.

**349.** Interest at the rate notified by the Government from time to time is allowed for each calendar month on the lowest balance (complete rupees) at the credit of an account between the close of the fourth day and the end of the month, subject to the annual and maximum limits that may be prescribed from time to time in the Rules for Savings Bank Depositors.

NOTE 1.—In the case of deposits contemplated in Notes 3 and 2 under Rules 10 and 11 respectively of the Rules for the guidance of Depositors, interest is allowed on the excess over the prescribed maximum and annual limits.

NOTE 2.—The rates of interest in force from time to time are as follows :—

Period.	Rate.	Authority.
From 1905 to 31st October 1933	3 per cent. per annum.	Government of India, Finance Department Resolution No. 509 (Post Office), dated the 11th March 1905.
From the 1st November 1933 to 30th June 1936.	2½ „	Government of India, Finance Department Resolution No. D-6980-F., dated the 14th September 1933.
From the 1st July 1936	2 „	Government of India, Finance Department Resolution No. D-3351-F., dated the 15th May 1936.

350. The following are exceptions to the general rule that interest is allowed on the balance of the account opened by a depositor in his name or on behalf of a minor, up to a limit of Rs. 5,000.

- (i) The maximum limit of deposits in a minor's account, has been raised from Rs. 1,000 to Rs. 5,000 with effect from 1st April 1933. This limit can only be reached by annual deposits as laid down in Rule 10 of the rules for the guidance of depositors in the Post Office Savings Bank. In calculating interest on the balance at credit, the following instruction should be observed.—

The legitimate excess balance on 31st March 1933 under Note 1 to Rule 11 of the Savings Bank rules should carry interest and any excess balance on 1st April 1933 due to any infringement of any of the Savings Bank rules should not carry interest.

- (ii) In the case of Public Accounts the maximum interest bearing balance is Rs. 10,000.
- (iii) In the case of Regimental Police and other conjoint accounts individual Teacher's Provident Fund Account and other Miscellaneous accounts opened under Rule 45-B (c), and 45-B (e) and 45-B (g) of the Savings Bank rules, there is no maximum limit. Interest will be allowed on the total balance at credit.

*Explanation 1.*—The privilege enjoyed by depositors prior to April 1888, of opening an account in the Post Office Savings Bank while another account was in existence at a Presidency Savings Bank, and *vice versa*, was not withdrawn in the case of the Presidency Savings Bank, Bombay, till the end of July 1891, The limit of Rs. 5,000 for an ordinary account and Rs. 1,000 for a minor's account should not, therefore, be applied to accounts

opened in the Presidency Savings Bank, Bombay, up to July 1891 and subsequently transferred to the Post Office.

*Explanation 2.*—In calculating the gross limit of deposits in the cases referred to in clauses (1) and (2), the following instructions should be observed :—

Deposits are allowed in respect of such accounts, up to the yearly limit of Rs. 750 and the maximum limit of Rs. 5,000, without taking into account the balance transferred from the District or Presidency Savings Bank. Thus a person, whether previously a depositor in the Post Office Savings Bank or not, whose District or Presidency Savings Bank account was transferred to the Post Office, could continue to deposit money under the ordinary conditions of the Post Office Savings Bank rules irrespective of his transferred balance, *e.g.*, if the amount transferred from the District or Presidency Savings Bank was Rs. 3,000, the depositor is still entitled to make further deposits, provided that the whole amount of his account does not exceed at any time Rs. 5,000, *plus* the balance transferred from the District or Presidency Savings Bank. The limit of an account transferred from the District or Presidency Savings Bank will be reduced below Rs. 5,000 *plus* the amount actually transferred, when the depositor withdraws more than the amount at his credit exclusive of his District or Presidency Savings Bank balance, *i.e.*, when he trenches on the balance transferred. In such a case the excess over the balance directly deposited in the Post Office Savings Bank is taken in reduction of the original District or Presidency Savings Bank balance and the latter balance can never be restored to its original amount by means of subsequent deposits. In the example given above, if the depositor had already at his credit in the Post Office Savings Bank a balance of Rs. 1,000, the transfer of his District Savings Bank account to Post Office raised his balance to Rs. 4,000 and he has, subject to the general rules, the right to deposit further sums so long as the gross limit of Rs. 5,000 *plus* Rs. 3,000 is not exceeded. But if the depositor were to withdraw Rs. 1,500, when his amalgamated balance is Rs. 4,000, then his District Savings Bank balance would have to be reduced by Rs. 500 and the maximum limit of the account would, for the future, be not Rs. 8,000, but Rs. 7,500 (D. G.'s Cir. No. 38, dated the 5th September 1890).

NOTE 1.—Where accounts are closed by order of the Deputy Accountant General or of the Head of the Circle, no interest will be allowed beyond the end of the month preceding the date of issue of the Postmaster's notice to close the account.

NOTE 2.—In the case of accounts of deceased depositors no interest will be allowed from the first of the month in which the notice of the closure of the account is issued by the Head of the Circle.





**354.** The correctness of the total closing balance of each series should be verified by working it out independently from the figures for the opening balance of the year and the transactions of the series as recorded in the monthly master cards. The reconciliation will be made in Form A. G. P. T.-365.

After the number of accounts and the total closing balance of each series have been verified, the figures for all the series in a Head Office should be consolidated in Form A. G. P. T.-346 and agreed with the corresponding figures in the Head Office Control Account.

**355.** The interest statement and the list of Dead Accounts (Article 364) should be made over to the clerk in charge of the Head Office Control Account who should check the closing balance for the previous year, total deposits and withdrawals during the year, number of accounts opened and closed during the year, interest on closed accounts, total of interest additions and corrections and interest on dead accounts reopened, with the figures in the Head Office Control Account and the registers maintained in his group; if these agree he should post the following particulars in the Head Office Control Account, in order to arrive at the total amount of interest for the year to be added to the balance on 31st March :—

- (i) Interest on active accounts (as per column 3 of statement, Form No. A. G. P. T.-364).
- (ii) Interest on accounts transferred to Dead account ledger.
- (iii) Total amount transferred to Dead account ledger.
- (iv) Number of accounts transferred to Dead account ledger.

NOTE.—After the Control Accounts of all the offices in a Circle have been posted, the total amounts of items (i) and (ii) will be adjusted by transfer entry to the credit of "Savings Bank Deposits" by debit to "Interest on other Obligations—Interest on Savings Bank Deposits"; and the total amount of item (iii) will be adjusted to credit of "Deposits—Dead Accounts—Savings Bank" by debit to "Savings Bank Deposits".

**356.** The clerk in charge of the Head Office Control Account should then certify that the various items in the final agreement have been checked and agreed by him. After this is done, the statements (Forms Nos. A. G. P. T.-364 and 367) should be made over to the Accountant in charge, who should see whether the agreement has been correctly worked out, and then send them to the Gazetted Officer for signature.

NOTE.—The Accountant should see that a certificate to the effect that either there are no items of *minus* balance or if there are any due action has been taken to adjust them, has been recorded by the auditor in the annual verification and agreement sheet.

**357.** After the agreement has been checked and the statement passed by the Gazetted Officer, the statement in Form A. G. P. T.-364 should be bound in volumes of convenient size, and despatched with a forwarding letter in Form A. G. P. T.-368 to the Postmasters concerned, together with the list of dead

accounts in Form A. G. P. T.-367 (*vide* Article 364). The statement should be despatched not later than 7th June of each year (*vide* Article 348).

NOTE.—A Manuscript Register for watching the receipt of certificates from Post Offices, prescribed in Rule 490 (3) of the Posts and Telegraphs Manual, Volume VI, should be maintained with the following particulars —

- (1) the names of Post Offices rendering the certificates.
- (2) due date of receipt,
- (3) particulars of reminders,
- (4) actual date of receipt, and
- (5) how disposed of

The Register should be submitted to the Gazetted Officer for review on the 1st September and fortnightly thereafter till all the certificates are received and disposed of.

**358.** When interest on an account has been incorrectly passed in the annual statement of interest and balances, and the error is detected before the despatch of the transfer entries for March final to the Postal Accounts Section, the Auditor will correct his books in red ink and direct the Postmasters concerned to correct the annual statement of interest and balances. No correction is permissible after the transfer entries have been sent; but whenever it is necessary to communicate arrears of interest or to correct amounts entered in the annual interest statement, a letter in Form No. A. G. P. T.-369 should be sent to the Postmaster concerned.

NOTE 1.—These letters should be numbered in consecutive annual series for each group and entered in the register prescribed in Article 359 with the distinguishing letters J. A. (meaning interest additions) and the initial letter of the Circle entered below. The register will be submitted to the Accountant with each letter, and the entry in the register will be initialled by him when he passes the letter.

NOTE 2.—When a difference (short or excess credit), which does not exceed one anna, is discovered in the amount of interest advised in the annual statement, it should be ignored altogether and no subsequent correction should be made unless a complaint is received from the depositor.

NOTE 3.—Corrections on account of interest, either excess or short, should not be carried back beyond six preceding account years.

**359.** A register of the amounts advised to Postmasters as additions to or deductions from the depositors' ledger cards and pass books under Article 358 will be kept for each group in Form No. A. G. P. T.-370. The register will be totalled each month when the Head Office Control Account is being posted, and the amount of additions communicated during the previous month less the amount of interest passed in excess together with the interest on closed accounts and arrear interest on dead accounts re-opened will be adjusted by means of a transfer entry crediting "Savings Bank deposits" and debiting "Interest on other Obligations—Interest on Savings Bank deposits".

**360.** If the correction is made to set right interest passed in excess in the previous interest statement, the letter of advice to the Postmaster issued under Article 358 will be altered, and the Postmaster will be instructed to deduct the amount from the ledger and pass book. If, however, the fact of interest having been passed in excess is detected in the Audit Office when an account is closed, but it is found that only the correct amount of interest has been paid by the Postmaster, he should be asked to make a note in the annual

statement of interest in which the mistake occurred. Such amounts will be entered in the Interest Adjustment Register as *minus* entries in red ink, so that the net amount only of the total amount communicated will be adjusted as laid down in Article 359.

### **Dead Accounts and Dormant Accounts.**

361. In certain circumstances Savings Bank accounts in which there have been no transactions for a period of four complete years cease to remain open and are classed as Dead Accounts which cannot be operated upon unless their reopening is formally sanctioned by the Head Postmaster. The Audit Office is required to notify to the Postmaster which accounts borne on his ledger are to be treated as Dead Accounts and the preparation of the lists of Dead Accounts should be undertaken after the annual interest calculations have been completed.

To facilitate the preparation of these lists and also to relieve the ledger cabinets, Savings Bank accounts in which there have been no transactions other than an entry of the annual interest, for a period of one year, are treated as Dormant Accounts.

362. Once in every three years after completing the interest calculations, the ledger cards for each office should be examined and the cards of all accounts in which no transactions have taken place from the beginning of the immediately preceding financial year should be separated from the rest. The cards for live accounts should be replaced in the cabinets, the series being rearranged, if necessary, and the cards relating to Dormant accounts should be entered, in a Dormant ledger in Form No. A. G. P. T.-371. The fact of the account being treated as Dormant from that date should also be noted on the ledger card. The cards and the Dormant ledger should be put up to the Supervisor who will test check 10 per cent. of the accounts copied in the Dormant ledger with the relevant cards and put his initials and date against the entries in the ledger in token of having exercised this check. Cards of accounts transferred to a fresh Dormant ledger should be kept in the Section in separate cabinets in charge of the Head Office Control Account group.

### **Reopening of Dormant and Dead Accounts.**

363. Whenever a transaction pertaining to an account which has been treated as 'Dormant' is reported through the Savings Bank Journal, the old card relating to the account should be extracted and compared with the entries appearing in the Dormant ledger and a suitable note made in the latter to show the date on which the account is reopened.

364. Accounts which are in the Dormant ledger for three complete years and with regard to which the absence of entries as prescribed in Article 363 indicates that they have not been reopened, will be treated as Dead Accounts with the exception of the following :—

- (a) Accounts the balances at credit of which have reached the maximum limit of deposits ;

- (b) Security Deposit accounts, the balances of which have reached the full amounts pledged.

The calculation of interest on Dormant accounts may be started as soon as the transactions for January have been posted and proved, so that the interest statement of the accounts included in the Dormant ledger may be ready by the 7th April by which time the accounts for March will be ready for posting. After all the accounts have been transferred for posting from the Dormant to the Card ledgers, the accounts mentioned in clauses (a) and (b) above will be marked with the letter ' A ' for subsequent copying into the new Dormant ledger. An interest statement should, however, be prepared for these accounts and sent to the Post Office along with the interest statement of ledger card accounts. Particulars of the remaining accounts should be copied in duplicate in Form A. G. P. T.-367. The list should be totalled and after agreement of the balance of the list as well as the interest statement of Dormant accounts marked " A " with the outstanding balance of the Dormant ledger, the pencil copy of the Dead Account list will be sent to the Post Office along with the annual interest statement so that the accounts may be treated as dead in Post Office ledgers also. The carbon copies of Form A. G. P. T.-367, after being arranged in the alphabetical order of the Post Offices, should be bound into books and used as " Dead Account Ledgers ".

A certificate to the effect that the list of Dead Accounts has been sent to the Head Postmaster should then be entered in the Dormant ledger over the signature of the Accountant and the ledger recorded after the necessary adjustments have been made in the accounts, as prescribed in Article 365.

NOTE.—The balances of all dead accounts of the Presidency Savings Bank, Bombay, prior to the year 1886-87 have been written off to the credit of Government. Applications for the refund of the balance of any account pertaining to those years should therefore be referred to the Accountant General, Bombay, for disposal (Letter No. 91-3136, dated the 6th May 1896, from A. G., Bombay, to C. P. O.).

**365.** A consolidated transfer entry of the amounts at credit of accounts in each Postal Circle, treated as Dead, should then be prepared and approved by the Deputy Accountant General, the amount being debited to " Savings Bank deposits " by a *per contra* credit to the minor head " Dead Accounts—Savings Bank " subordinate to " Deposits ".

**366.** Dead accounts, whether originally opened in the Post Office Savings Bank or in the Presidency or District Savings Banks, are reopened under the authority of the Head Postmaster unless the Dead Account sought to be reopened has been " dead " for more than five financial years, or there are any doubtful features, in which case the order of the Audit Office is required to be obtained by the Head Postmaster before he allows the Dead Account to be reopened (*vide* Rule 510 of the Posts and Telegraphs Manual, Volume VI). In such cases, the letter of authority to re-open the dead account is issued by the Audit Office in form A. G. P. T.-382. A list showing all Dead Accounts reopened during a week will be received in the Audit Office along with the week's journal and should be carefully checked. The entries in the list should then

be compared with the corresponding entries in the Dead Account ledger and any discrepancies investigated in correspondence with the Postmaster. A card ledger should be opened from the entries in the Dead Account Ledger and the list of Dead Accounts re-opened, received from the Post Office, the two sub-columns under the column "Accounts re-opened" in the Dead Account ledger should be filled in and both the Dead Account Ledger and the card ledger should be put up for approval of the Accountant in charge who will initial the entries in the column "Accounts re-opened" in the Dead Account Ledger.

NOTE—The amount for which the account has been opened, including the amount of the old balance, should be treated as a deposit on the date of reopening the account and should be included in the master card.

**367.** An abstract of accounts transferred to and re-transferred from the Dead Account ledger will be prepared annually by the Head Office Control Account keeper in Form No. A. G. P. T.-373.

**368.** The weekly lists of Dead Accounts re-opened received from the Postmasters should be bound into a register and a transfer entry for the adjustment of the balance of Dead Accounts will be made monthly by debit to the minor head "Dead Accounts—Savings Bank" under "Deposits" and credit to "Savings Bank Deposits". This register should be checked by the Accountant, Savings Bank Section, when passing the transfer entry. The amount of interest should be adjusted in the manner laid down in Article 359.

**369.** When a Head Office is converted into a sub-office, the Dead Accounts in the ledger will be transferred to the new Head Office to which it becomes subordinate. For this purpose, fresh entries need not be made as the transfer can be effected by writing the name of the new Head Office in the ledger in place of that of the old Head Office, with a note "Converted into sub-office from (date)". Fresh entries should, however, be made when a sub-office is transferred from the jurisdiction of one Head Office to that of another, or when a sub-office is converted into a Head Office. In such cases, the original entries in the ledger should be cancelled and fresh entries made under the new Head Office, with suitable remarks against both the cancelled and the fresh entries. The accounts when re-opened are assigned new numbers, which, for facility of reference, should be noted in the ledger.

NOTE—In the case of transfer of a sub-office from one Head Office to another under the jurisdiction of a Foreign Audit Office, a list of the Dead Accounts of the sub-office should be sent to the Foreign Audit Office for inclusion in the Dead Account ledger of the Circle to which the receiving Head Office belongs, and the adjustment of the balance of Dead Accounts so transferred should be made by a deduction from the balance of Dead Accounts of the transferring Head Office in addition to that of the receiving Head Office and not by transfer entry.

#### Custody of Undelivered pass-books.

**370.** The following procedure should be observed in the Audit Offices in respect of undelivered pass-books received for safe custody.—

- (a) The forwarding letters with which the pass-books are received should be indexed under separate series and made over to the clerk who is entrusted with the custody of these pass-books. He

will be held responsible for having the balances in these pass-books verified with those in the Ledger Card by the Auditor of the Post Office concerned under the latter's dated initials. He should then enter them in the register of undelivered pass-books (Form No. A. G. P. T.-374) in the serial order of the index numbers and prepare acknowledgments, in duplicate in Form No. A. G. P. T.-375 and place the register, acknowledgments and the pass-books before the Senior Accountant for his review and attestation. The acknowledgments which should bear the same number as the index number assigned to the inward letter should, after being signed by the Accountant in charge, be sent to the Post Offices concerned.

- (b) If the balance in any pass-book does not agree with the Audit Office balance, the pass-book should be returned with the acknowledgment, a suitable note being made in the register. When such a pass-book is received back it will be treated as a fresh receipt and assigned a new number.
- (c) These pass-books will be kept arranged in the serial order of the index number in an almirah in the joint custody of the Accountant in charge and the pass-book clerk.
- (d) When any pass-book is returned to the Post Office, a note of the number and date of the letter (Form No. A. G. P. T.-376) with which it is being returned should be made in the register. A slip showing the number and date of the Postmaster's letter calling for the pass-book and the number and date of the forwarding letter should be prepared and the register, the slip, the forwarding letter and the pass-book should be placed before the Accountant in charge for his review and attestation. The slip initialled by him should be placed in the proper bundle.

#### **Custody of closed and used-up pass-books.**

371. All pass-books (whether original or duplicate) of accounts which have been closed should be separated from the used up pass-books received during the month and kept properly arranged in separate bundles according to Head Offices and account numbers. All the bundles of closed and used up pass-books received during the month should be examined by the Supervisor of the group in order to see that all the closed pass-books have been correctly separated from the used up ones and the warrant of payment for the final closure of the account has also been carefully pasted on the last page of the relevant closed pass-book as prescribed in Note 3 to Article 295 as these records are to be preserved permanently. The Supervisor will then enter the account Nos. of these pass-books in a skeleton register (to be maintained in manuscript for the purpose) in which separate pages should be set apart for each Head Office. The month of closing should be noted in *red ink* above

the entries for each month. In order to distinguish the entries for duplicate pass-books from those for original ones, the word "D" should be written against the account relating to duplicate pass-books.

The register should be submitted monthly to the Accountant in charge who should see that the pass-books of all accounts closed during the month have been entered therein and attest each entry

The closed up pass-books should invariably be kept under lock and key in the custody of the Accountant in charge, after the accounts of the year are closed, these pass-books should be sent to the record rooms for safe custody.

-372. The used up pass-books will be reviewed month by month by the Supervisors to see that the closing pages have been marked as "cancelled" under the signature of the Postmaster. In case of omissions, if any, detected during the course of review, the closing page should be impressed with the "cancelled" stamp by the reviewing supervisor

These pass-books should be kept in separate bundles for each Head Post Office and sent to the Record Room after the accounts of the year are closed.

373. *Deleted.*

#### Custody of registers, etc.

374. The following is the list of registers, etc., to be maintained in the Savings Bank Section.

##### *(a) Registers, etc., in the Compilation Group.*

- (1) Head Office Control Account.
- (2) Dead account ledger.
- (3) Abstracts of accounts transferred to and re-transferred from the dead account ledger.
- (4) Registers of accounts transferred and of accounts opened on transfer.
- (5) Files of intimations of purchase, sale and interest on Government Securities.
- (6) Registers of Savings Bank accounts transferred to Foreign Post Office Savings Banks.
- (7) File of extracts from schedules of Foreign Inward Transfers received from the Calcutta Postal Audit Office.
- (8) Statements of deposits and withdrawals in cash rendered by the Postal Accounts Section for reconciliation with Savings Bank books.
- (9) Register showing reconciliation of Savings Bank figures with the figures in the Detail books.
- (10) Interest adjustment registers.



- (11) Transfer entry number-book.
- (12) Annual abstracts of deposits and withdrawals.

*(b) Registers, etc., in charge of Auditors and Supervisors.*

- (1) Files of objection statements.
- (2) Objection books.
- (3) Depositors' ledger cards and dormant ledgers.
- (4) Savings Bank journals of deposits and withdrawals, with their enclosures, warrants, deposit slips, index-cards, transfer slips, advices of transfer, etc.
- (5) Primary compilation or check slips of Savings Bank cash transactions (to be pasted in the last sheet of the journal of the 4th week).
- (6) Monthly master cards.

*(c) Registers, etc., with Record Clerk.*

- (1) Register of inward letters.
- (2) Register of outward letters.
- (3) Half-margin memo. register.
- (4) Reports on pending inward letters.
- (5) Recorded bundle of Half-margin memos.
- (6) Files of spare copies of Postmaster General's circulars.

*(d) Registers with Accountant-in-charge.*

- (1) Register of admitted public accounts.
- (2) Register of objectionable items waived.
- (3) Register of penalties imposed for mistakes in interest calculation.
- (4) Register of undeliverable pass-books.

**375.** The following instructions should be attended to in the disposal of Savings Bank documents :—

(a) Vouchers accompanying returned objection statements and irregularity memos., should be removed from these documents unless they are required for further references. If no further action is to be taken on the vouchers, they should be filed by the sub-auditor in their proper places as soon as the objections pertaining to them have been removed.

(b) As soon as the monthly master cards are agreed with the Head Office Control Accounts, the Savings Bank journals with the deposit slips, posting

slips, warrants of payments, applications and advices of transfer, index-cards, etc., pertaining thereto will be made over to the record clerk, who will be responsible for safe custody of the records made over to him and for seeing:—

- (i) that they are kept properly arranged in racks; and
- (ii) that precautions are taken against the journals and other records being torn or otherwise mutilated

NOTE 1.—Savings Bank journals will be kept folded in the middle. The deposit slips, warrants of payments, advices of transfer, intimations of transfers, etc., arranged in serial order for posting, should be securely tied up into neat bundles with slips in Form No. A. G. P. T.-381 at the top and bottom showing the name of the office and the weeks and months' journals to which they pertain. The journal clerk of the offices concerned are responsible for seeing that these records are properly secured before being made over to the record clerks.

NOTE 2.—When journals for a complete year have been filed and after the annual agreement is effected, the files will be treated as old records and sent to the record room for custody.

(c) Documents forwarded by Postmasters with subsequent journals or returned with their replies to references made by the Audit Office will be filed by the Auditors themselves in their proper places.



## CHAPTER 6.—MONEY ORDERS.

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## SECTION 1.—Inland Money Orders.

## General Outlines.

**376.** The issue and payment of money orders constitute one of the main activities of the Indian Post Office. The rules governing the issue and payment of money orders prescribed by the Government of India or the Director General and the rates of commission on money orders are contained in the Post and Telegraph Guide.

**377.** Money Order transactions are permitted at all Head and Sub Post Offices and also at certain specified Branch Post Offices subordinate to them. The accounts of the latter are, however, incorporated in those of the former and the Head Post Office is responsible for submitting consolidated accounts of its own transactions and the transactions of its subordinate offices. The results of audit conducted in the Audit Office are communicated to the Head Post Office which is responsible for seeing that prompt action is taken in settling the objections raised or remedying the defects pointed out by the Audit Office.

The procedure prescribed by the Auditor General for the maintenance of accounts in connection with money order transactions in the Post Offices and for the submission of account returns pertaining thereto to the Audit Office are given in Chapter 7 of the Posts and Telegraphs Manual, Volume VI.

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**378.** The audit of money order transactions is conducted in the four Audit Offices at Calcutta, Delhi, Madras and Nagpur, each having, under its jurisdiction, one or more Postal Circles. The distribution of Postal Circles is given in Article 56 of the Posts and Telegraphs Initial Account Code, Volume I. In distinguishing one Audit Office from another, the Audit Office for the local Postal Circles is referred to in this Chapter as the Home Audit Office and the other Audit Offices, as Foreign Audit Offices. Similarly, the Postal Circles under the jurisdiction of the Home Audit Office are referred to as Home Circles and those under the jurisdiction of Foreign Audit Offices as Foreign Circles

of issue, duly entered in a list (known as Void list) separately for each month of issue. These money orders are then checked with the Issue list and filed. Void money orders paid are received duly entered in schedules and the amounts of these orders are debited to the Inland Money Order head. The vouchers are debit-checked with the Issue list or in the register of unpaid money orders.

**383.** The items that remain unchecked in the Issue list are then picked out and these amounts together with the amounts of unpaid void money orders, as ascertained from the Void list, represent the outstanding liabilities of Government.

**384.** In the books of the Department, the total amount of the Home Circle Issue lists for a particular month is taken to the credit of the head "Inland Money Orders—month of issue". The total payments of money orders by the Home Circle Post Offices are likewise taken in the first instance to the debit of the same head for the months of issue concerned. But the amounts of money orders paid in respect of Foreign Circle issues are transferred through the "Money Order remittance" head to the Foreign Audit Offices concerned by reduction of the debits under the Inland Money Order head, so that the balance may represent the debits on account of Home Circles issues only. Similarly, payments transferred from the Foreign Audit Offices in respect of Home Circle issues are debited to the Inland Money Order head by credit to the "Money Order remittance" head. The result of these adjustments as well as the adjustments referred to in Articles 381 and 382 will be to bring together the credits under the head "Inland Money Orders" on account of issues of the Home Circle Post Offices for a month and the debits in different months corresponding to these issues. The difference between the credits and debits for a particular month of issue represents the liabilities of Government as ascertained from the books of the Department, the total credit being always more than the total debit.

**385.** If the total of the unchecked items picked out from the issue lists for the year of issue together with the amount of unpaid void money orders (*vide* Article 383) exceeds the outstanding credit in the books as worked out under Article 384, the excess (technically termed as unexplained difference) does not represent a real loss to Government, and it does not therefore require any account adjustment. Strictly speaking the one must exactly equal the other. But, as a result of undetected mistakes in the several stages of audit and adjustment and owing to paid money orders being mislaid, in some cases before debit-check, it generally happens that the lists show more outstanding than the books.

**386.** The head "Inland money orders" relating to a particular financial year is kept open in the books for three financial years (*vide* Article 451) and the balance, i.e., the excess of actual receipts over payments, under this head will lapse to Government at the close of third financial year and be transferred

to the revenue head "Forfeited money orders". This does not, however, prevent subsequent payments of the money orders, should claims in respect of them be established.

### Returns due.

387. The following accounts of Inland money orders are rendered by each Head Post Office to the Audit Office :—

- (1) Daily or Bi-monthly lists of money orders *issued* together with the Not-Payable Telegraphic Money Order requisitions—to the Home Audit Office.

NOTE.—In the case of Bi-monthly lists, the 1st period lists embrace the transactions from 1st to 15th and the 2nd period lists from 16th to the end of the month. In the case of sub-offices the transactions of the period which can be incorporated in the accounts of the Head Office from 1st to 15th and from 16th to end of the month constitute the 1st period and 2nd period lists.

- (2) Daily or Bi-monthly lists of money orders *paid* together with the paid money orders—to the respective Audit Offices (Home and Foreign).

NOTE 1.—The note under clause (1) above applies to the Bi-monthly lists of money orders paid.

NOTE 2.—Ordinarily two Paid lists are received in each Audit Office from each Post Office, viz, one relating to the issues of the month of payment and the other relating to the issues of the previous month. But, as the Head Office cash accounts are, except in March, not kept open to receive credits and debits for the sub-office transactions of the last few days of the months, payments may sometimes precede credit. In these and similar other cases, a third Paid list is received relating to the issues of the month following the month of payment.

- (3) Bi-monthly abstracts of daily totals of money orders *issued*—to the Home Audit Office.

- (4) Bi-monthly abstracts of daily totals of money orders *paid*—to the respective Audit Offices (Home and Foreign).

NOTE 1.—The abstracts show the totals for each period. In the abstract for the 2nd period, the total for the 1st period is brought forward and the monthly total struck.

NOTE 2.—The abstract of daily totals of money orders paid is prepared separately for each month of issue.

- (5) A monthly summary of money orders *issued*—to the Home Audit Office.

- (6) A monthly summary of money orders *paid*—to the Home Audit Office.

NOTE.—Pertaining to each month of issue there is a monthly summary of money orders paid. The Paid lists mentioned in clause (2) are rendered to the several Audit Offices but their summaries are all sent to the Home Audit Office. The summaries relating to Home Circle issues are described as 'Home' summaries, and those relating to Foreign Circle issues, as 'Foreign summaries'. The figures of the Foreign summaries also appear in the Home summaries side by side with the Home summary figures and a consolidation is made, the grand total of which should agree with the entry in the cash account. When this agreement has been made, copies of the summaries (four copies are received from the Postmaster) are forwarded by the Home Audit Office to the respective Audit Offices for detailed audit with the Paid lists and record.



- (7) Monthly lists of void money orders supported by unpaid money orders that became void.

NOTE.—The lists are prepared by the Head Office of issue and submitted to the Home Audit Office. The office, at which the money orders are payable, returns the money orders that cannot be paid within currency to the office of issue for transmission to the Audit Office.

- (8) Four separate schedules of void money orders paid, supported by the paid void orders, one for each Audit Circle of issue.

NOTE.—Two separate schedules relating to the 1st and 2nd period lists of payments are submitted by the Head Postmaster in covers addressed to the Money Order Section of the Home Audit Office.

#### Dates for submission of accounts and completion of audit.

**388.** The dates for the submission of the returns mentioned in Article 387 are given in Chapter 7 of the Posts and Telegraphs Manual, Volume VI.

The due dates for completion of the audit of lists, abstracts and summaries of money orders issued and paid, void lists and schedules of void money orders paid are as follows:—

(1) List of money orders issued together with abstract of daily totals	}	First period	5th of the next month.		
(2) List of money orders paid together with the abstract of daily totals		Second period	19th of the next month.		
(3) Monthly summary of money orders issued	}		18th of the second month following		
(4) Monthly summary of money orders paid.					
(5) List of Paid Money Orders		...	20th of the fourth month following.		
(6) Schedule of Void Money Orders paid	}	First period	3rd of the month	the	next
		Second period	18th of the month	the	next

#### Audit of Issue Lists and Issue Abstracts.

**389.** The Issue list shows the serial number, amount and date of issue of each money order, the office of payment, and the commission realised on the transactions. The amount and commission in respect of Telegraphic money orders are detailed in separate columns of the list.

In the Audit Office these issue lists are received untotalled although their totals are shown in the abstract of daily totals and consolidation sheets.

**390.** On receipt in the section, the abstracts of daily totals and consolidation sheets accompanying the Issue Lists should be detached and kept in the custody of the Auditor, Issue List Section, so that the machine operators

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may not have access to them. The untotalled Issue Lists should then be distributed to the machine operators, who should take up the lists and cast totals, in each sheet date by date, of the amounts of money orders entered in the columns 'Telegraphic Money Orders' and 'Non-telegraphic Money Orders' with the help of the machine called 'Comptometer'. When the transactions of a day run over more than one sheet, the totals of the sheets may be consolidated, making a grand total for the date concerned.

391. The Issue Lists, after they are totalled by the machine operators should be made over to the Abstract checkers along with the relevant abstracts of daily totals and consolidation sheets (*see* Article 390).

the value of all P. S., T. S., C. O. D or F. R. money orders and cast their totals, these totals should be carried over to the abstracts for the second period where a grand total for the month should be struck.

While checking abstracts for the second period, the Abstract checker should also compare the figures of the first period with those brought forward from the first period into the abstract for the second period and bring to the notice of the Postmaster concerned, all irregularities detected in the course of examination.

NOTE—A register in manuscript with suitable columns showing the distribution of work among the abstract checkers should be maintained by the auditor and submitted to the Gazetted Officer in charge through the Accountant on the 9th and 25th of every month.

### 392. Deleted.

393. (a) The Supervisor of the Machine group will receive the Issue Lists from the Abstract checkers and settle the discrepancies in respect of the sheets which have been flagged by them. The discrepancies, when checked by him, will consist of two classes—

(i) The operators' mistakes, and

(ii) real difference, viz., short or excess credit afforded by Postmasters.

(b) He will make a note of all operators' mistakes in the Error Book, to be maintained by him, against the name of each operator. A separate sheet may be used for each month and the number of mistakes committed by each operator may be totalled each month and numbers of such mistakes brought forward month to month till the official year is closed. The Error Book should be consolidated and submitted to the Deputy Accountant General, through the senior Accountant and the Gazetted Officer-in-Charge, on the 7th of every month (see also Article 408-E).

(c) He will note the real differences in the Abstract and the Issue Lists prominently by *plus* or *minus* entries for issue of necessary objection by the Summary Examiner.

(d) After the completion of the day's work, he should enter, in his diary, the number and nature of the discrepancies settled by him and also the cases of real differences found by him on checking and the facts of his making necessary entries in the Error Book or the abstract as the case may be. The Diary should be submitted to the Senior Accountant daily and to the Gazetted Officer in charge every Wednesday.

**394.** The commencing and closing numbers of each office (Head and Sub-Office) will be entered by the Abstract checker at the top of the respective abstracts in order to see that the total number of money orders issued in a particular period for each office (by deducting the commencing number from the closing number) agree with that shown by the postmaster in the abstract. The commencing number of each abstract should be checked with the closing number of the previous one.

NOTE.—The Telegraphic money order requisitions received with Issue Lists will be filed in separate bundles

**395.** For the purpose of selecting the dates for the check of commission, a broadsheet should be maintained with two sub-columns for each month, one for each period of account. There need be only two horizontal lines, one for offices which render bi-monthly lists and the other for those which render daily lists. After the due date of despatch of the lists of a particular period to the Audit Office and before the lists are taken up for audit, the Gazetted Officer in charge should enter at random the dates for which commission should be checked in detail. The check will be confined to the transactions of the dates prescribed, for the Head and Sub Offices, in whatever period of accounts they are included. The checkers who check the money order commission for the dates selected by the Gazetted Officer should write the words "Money Order Commission checked" under their initials with dates on each of the lists so checked. The Supervisor should test-check at random that the lists selected by the Gazetted Officer have been so marked and initialled. If the result of the check indicates any serious irregularity in any office or an abnormal number of mistakes, the orders of the Gazetted Officer in charge should be obtained as to whether the list or lists should be completely checked.

**395-A.** For the purpose of seeing that service money orders are issued only for *bona fide* departmental purposes, a test check should be carried out monthly. The Senior Accountant should select monthly 6 Head Post Offices and enter their names in a broadsheet to be opened in Manuscript as per specimen given below. From the issue lists of the offices so selected, he should pick out at random money orders not exceeding ten in number issued on Posts and Telegraphs service and note the particulars of the money orders in the relevant columns of the broadsheet. The Auditor of the Debit check Section should satisfy himself by reference to the purpose of remittance as noted on the money orders themselves that they have been issued for *bona-fide* departmental purpose. If the purpose of the remittance is not noted on a money order it should be ascertained by a reference to the postmaster concerned. Replies when received should be examined to see that the issue of a service money order was justified. The result of the test check should be noted against the entries in the broadsheet. The broadsheet should be submitted monthly to the Gazetted Officer through the Senior Accountant.

*Broadsheet showing the names of Head Post Offices and particulars of money orders issued on Posts and Telegraphs service selected for test check*

Serial No.	Office of Issue	Particulars of service money orders to be examined.		Result of Auditor's examination	No. and date of reference to Postmaster	Remarks.
		No. and date	Amount			

393. In examining the Issue lists of Field Post Offices or other offices to which, by special orders, the system of issue of money orders free of commission has been extended, the items against which the distinctive letters "F R" are noted in the "commission" column of the Issue list should be picked out and compared with the entries in the statement received from the Postmaster in respect of such free transactions. The commission realisable on the value of money orders entered in the statement should be carefully checked and totalled. The total amount of commission together with the number of money orders should then be entered according to each period of account in a register in Form No. A. G. P. T.-401, the figures for each office being separately noted. At the close of the month, the register should be totalled and a bill made out. The amount of the bill will be debited to the Defence or other Department concerned by a *contra* credit to the head "Money Order Commission". The bill together with the certificate of the Commanding Officer will be sent to the Controller, Military Accounts concerned with the exchange account in which the debt is recorded against him.

397. *Deleted.*

397.A. Whenever any discrepancy is noticed, a communication in Form A. G. P. T.-400 should at once be made to the Postmaster concerned pointing out the discrepancy. An objection statement should be issued only when it is found on receipt of a reply to the communication that the mistake affects the credit in the cash accounts.

#### Abstr. of Issue Summaries.

398. After the Completion of Audit of the abstracts for both the periods by the Abstract Checkers, they are made over to the Summary Clerks. Before the Summaries are taken up for audit, the total value and commission as shown therein should be agreed with the credit in the Cash Account under the

heads "Money Orders issued" and "Commission on money orders issued" respectively and the auditor of the Postal Audit Section should mark the entries "agreed" and initial them.

**398-A.** (a) The audit of the summaries should be conducted in two stages, *viz.* (1) the totalling by machine of the monthly totals of the abstracts for the II period and (2) reconciliation

(i) The machine totalling of the Summaries is not required. The machine operator will go on with totalling the monthly totals including the *plus* and *minus* entries as shown in the II period abstracts for the Head Office and all the Sub-Offices under it and enter on slips of paper of a convenient size the consolidated totals for each Head Office, of the number, value and commission separately for ordinary and telegraphic money orders. Thus, in dealing with the abstracts the operator will have to total 6 items for each office, for example, if a Head Office has 20 Sub-Offices under it, he will have to total 126 items, including those of the Head Office.

NOTE.—For the purposes of outturn, the number of items done should be actually counted

(c) The consolidated totals thus worked out are then compared by the Summary clerks with the corresponding totals in the Summary. The discrepancies, that may then be brought to light, are due either to the operators' mistakes or to wrong totals in the Summary or to short or excess credits in value or commission. The discrepancies should be reconciled by the Summary clerks by comparing the entries in the abstracts with the corresponding entries in the Summaries. As no figures relating to Telegraphic money orders appear separately in the Summaries, the Consolidated totals relating to them as prepared by the operator are not subject to further reconciliation.

NOTE 1.—In working out the actual outturn, the number of offices in the Summaries should be multiplied by 3 irrespective of the fact whether there is any transaction in an office or not."

NOTE 2.—Progress reports showing the number of summaries, the number checked daily and the number outstanding should be maintained by the Summary Clerks

**399** Any discrepancy found in the totals of the lists and brought out in the summary or discovered between the total of the summary and the credit in the cash account should be brought to the notice of the Head Postmaster in the form of an objection statement for adjustment.

NOTE 1.—If there is a difference in the credits for value with a corresponding difference in the credits for commission, no objection statement need be issued to the Postmaster, as the difference can be adjusted in the Audit Office between value and commission. Such items will be entered in a separate register maintained for the purpose and a single transfer entry made in a month for each Postal Circle for the net difference.

NOTE 2.—See note under Article 478.

#### Statistics of Money Orders issued.

**400.** The figures of the summaries, after they are checked, will be posted for statistical purposes in the Register of Inland and Telegraphic money order

transactions for the month and Circle concerned (Form A. G. P. T-402). The figures relating to Telegraphic money orders will be shown separately, *vide* Article 503.

#### Audit of Paid Lists.

401. The paid list contains details of the date of payment, number, office of issue and amount of each money order, telegraphic and non-telegraphic money orders being shown separately under the respective money columns. The money orders accompany the list arranged in the order of the entries in the list. The money column of the list is totalled daily and the total is transcribed in the Abstract of daily totals which accompanies the list for each period. The Abstract shows a total for the period and the total of the first period is carried over to the Abstract for the second period of the month to arrive at the monthly total. The monthly totals shown in the Abstracts for the second period of the month in respect of transactions of the Head Office and its several sub offices are then transcribed into the Summary.

402 (a) The examination of the paid lists is conducted in three stages *viz.* (1) the arranging of the paid money orders, (2) the totalling, by machine, of the value of paid money orders, and (3) the reconciliation. The work in the first and third stages is done by non-machine workers while the work in the second stage is conducted by machinists on a Comptometer. The men employed to work in the three stages are respectively called (1) the arrangers, (2) the machine operators, and (3) the reconcilers, counters and miscellaneous checkers.

(b) The work of reconciliation is done in three stages—(i) reconciliation of discrepancies, (ii) counting, and (iii) other incidental items of work—by three sets of men called reconcilers, counters and miscellaneous checkers respectively.

#### Arranging the Paid Money Orders.

403. On receipt of the Money Order Paid returns from the Post Offices through the Record Department, the distributing auditor in the Paid List Section will make over the Paid Lists together with the bundles of Paid Money Orders and the Abstracts of daily totals, to the arrangers in the usual way through a Distribution Register (A. G. P. T.-406).

NOTE.—Paid Lists containing not more than 10 items should be made over, together with the relative abstracts and Paid Money Orders, to the reconcilers for examination by mental process without being handled by the arrangers and machine operators.

404. The duties of the Arrangers are—

- (a) To see that the Paid Lists, the Paid Money Orders and the Abstracts received are intended for the Home Audit Office concerned ;

- (b) To compare the Paid Lists and Abstracts with the printed slip, received with the paid returns, showing the names of sub post offices, arranged alphabetically under each Head Office, and to arrange accordingly if found misarranged ;
- (c) To separate the Paid Lists, the Abstracts and the Paid money order bundles of the different months of issue (current, previous and next month) ;
- (d) To arrange the paid money orders in order of their dates of payment for each Office (Head and Sub), the Money Orders relating to Sub Office payments being also arranged alphabetically ; and
- (e) Finally to arrange the paid money orders in convenient batches of 50 to 100, separating slips being used to prevent different batches being mixed up. This work is done in accordance with the principles laid down in Article 405.

NOTE.—In the case of Post Offices rendering daily returns, the work of the first and third stages is done without the abstract of daily total, which is generally received later.

**405.** (a) In the case of big Head Offices, the paid money orders, which are entered in 2 or 3 sheets of the paid lists, should form one batch and a separating slip should be placed just after the money order relating to the last entry of the 2nd or 3rd sheet concerned as the case may be.

(b) In the case of the money orders paid by pay order in the Head and Sub-Offices and also in the cases of Revenue and Government Money Orders, the paid money order vouchers should be arranged in batches of 50 or so either by combining the vouchers of smaller pay order of R. M. O., or G. M. O., lists or by splitting up those of big pay order or R. M. O., or G. M. O., lists in convenient batches as in clause (a) above, care being taken that the last voucher in the batch corresponds with the last entry of the sheet of the pay order or R. M. O., or G. M. O., lists concerned.

NOTE.—The fact combining and splitting up pay order, R. M. O. and G. M. O. lists by the arrangers should be noted by them in the Paid List concerned, for information of the Reconcilers, this note being indicated simply by a horizontal line in red ink drawn after the last item of each batch.

(c) In the case of Sub Offices, the vouchers should be arranged according to dates of payment, when the number of money orders paid in a day is about 50.

(d) In the case of big Sub Offices when the number of money orders paid in a day exceeds 100, the money orders should be arranged as in clause (a) above.

(e) In the case of Sub Offices with small number of transactions, the vouchers relating to the entire period of account should be arranged in one batch provided the number of money orders for that period is about 50. If the number exceeds 100, the procedure in clause (a) above should be followed.



(f) In the case of money order paid returns relating to Foreign Audit Circles, the money orders for the whole office (Head and Sub Offices combined) should be arranged in one or two batches of about 50 vouchers, necessary care being taken to see that the last money order of the batch corresponds with the last entry in the Paid List sheet concerned.

(g) In the case of offices where the number of paid money orders in a day or for several days together does not exceed 100, *vide* clauses (e) and (f), the arrangement of money orders in batches of 50 to 100 should be made with reference to the Abstract of Daily Totals where necessary.

**406.** In course of arranging, an arranger should—

- (i) forward, to the Foreign Audit Office concerned, the Foreign Circle Money Orders or bundles thereof, if traced by him as received without being charged in the Home Audit Paid list;
- (ii) issue calls, ordinary and telegraphic, in case a part of the paid list or bundle of paid money orders be wanting;

NOTE—A pay order or R.M.O., or G.M.O., list should be reckoned as a part of the paid list for the purpose of this rule.

- (iii) issue letters to the Postmasters concerned, noticing irregularities in the preparation and submission of paid list, paid money orders, etc.
- (iv) bring to the notice of the Postmasters concerned or other higher Postal officials, other irregularities which generally occur in the preparation and submission of Revenue Money Orders and lists thereof.

**407.** When the arranging of the paid money orders is completed, the arranger should place a slip (Form A G.P.T.-405), duly filled in, on each money order bundle containing not more than 1,500 vouchers, the number of money orders in each bundle being ascertained with reference to the total number of money orders entered in the abstract of daily totals.

The paid lists and abstracts should, after the arrangement is completed be made over to the Distributing Auditor for safe custody so that the machine operators may not have access to them.

A note should also be recorded in red ink under the initials of the arrangers on the back of the last page of the list showing the name of the office of payment, the month or months of issue and payment, the period or date of account and the number of money orders, thus :—

“ Barrackpur I Period  $\frac{\text{May.}}{\text{June.}}$  : 500, the numerator denoting the month of issue, and the denominator the month of payment ”.

### Totalling by Machine.

408 (a) On receipt of bundles of arranged paid Money Orders, through the distributing auditor, the machine operators will go on with totalling the values of paid money orders. Whenever a separating slip is reached or the last batch in a bundle is finished the machine should be stopped and the totals, as recorded therein, should be noted by dates or in lump, as the case may be, against each (Head or Sub) Post Office, on slips or paper of a convenient size. In case, however, of Head and Sub Offices, where the daily transactions run through several pages in the Paid Lists and the Paid Money Orders of a date are arranged in more than one batch, a consolidated total for each date should also be cast by the operator. Thus the machine operators will prepare an abstract of daily totals independently of the totals shown by the Postmasters either in the paid list or the Abstract of daily totals.

(b) Before or after using the machine, the machine operators are required to see to the general outlook of the Paid Money Orders as to their genuineness and to see that there has been no tampering with the dates of payments of the money orders. They are also required to see that no money order or a portion thereof has been so badly mutilated as to render the money order valueless as documentary. Such Money Orders should be entered in a register to be maintained in manuscript with suitable column and brought promptly to the notice of the Gazetted Officer-in-Charge through the Senior Accountant, Money Order Section, for orders. Further action taken should also be noted in the register.

(c) The following classes of irregularities, which the machine operators generally come across in their work, should be reported by them to the Postmasters concerned :—

- (i) Indistinct impression or non-impression of oblong money order stamp on payment.
- (ii) Non-detachment of acknowledgment portion of money orders.
- (iii) Non-entry of the value of the money order in the 'amount' cage.
- (iv) Illegibility or non-impression of oblong order stamp on issue of money orders, in which cases telegraphic communications are made to the paying Postmasters to ascertain the office of issue of the money order.

NOTE.—Cases in which memos. of admission of payment are received instead of paid money orders and do not contain the payee's signature, should be brought to the notice of the reconciler for report, if necessary, to the Head of the Circle concerned.

(d) In the 'remarks' column of the daily report book the machine operators should note the cases of misarrangement of money orders by the 'arrangers'.

(e) The bundles of Paid Money Orders together with the slips containing machine totals should be made over to the 'Reconcilers' through the distributing auditor.

### Reconciliation.

#### *Reconciliation of discrepancies.*

408-A (a) On receipt of the bundles of Paid Money Orders together with the slips showing machine totals, the Reconcilers should first compare these totals with the totals shown by the Postmasters in the Abstract of daily totals and note the discrepancies if any, in red ink, in the manuscript slips prepared by the machine operators. The items that are reconciled should be ticked off in the Abstracts in token of check

(b) The reconcilers will then settle the discrepancies which are generally due to the reasons noted below :—

(1) Excess totals by the operators over the Postmaster's totals, are due to—

- (i) Inclusion in total by the operator, of the Money Orders issued in a Foreign Audit Circle, received with the paid money order bundle, mixed up with Home Circle vouchers, without being charged in the paid list.
- (ii) Inclusion in total by the operator, of Home Circle voucher received without being charged in the Paid List.
- (iii) Short charge in the Paid List on account of any particular money order
- (iv) Mistake (short) in the total made by the Postmaster in the Paid List or Abstract
- (v) Mistake in the total made by the machine operators. This may be due to bad operation or to indistinct and illegible figures on the Money Orders entered by Postmasters.

(2) Shortage in operators' totals are due to—

- (i) Wanting Money Orders.
- (ii) Excess charge in the Paid List on account of any particular money order.
- (iii) Double charge on account of any particular money order, one charge not being supported by a voucher.
- (iv) Mistake (excess) in the total made by the Postmasters in the Paid List or Abstract.
- (v) Mistake in the total made by the machine operators.

(3) Discrepancies, short or excess may also occur on account of mis-arrangement of money orders by the Arrangers. Such discrepancies are generally settled with corresponding excess or short total on some other date or dates.

(c) After noting the discrepancies as in clause (a) above, the reconcilers should localise the mistake, ascertain its nature and then compare the entries in the Paid Lists with the relevant vouchers in respect of the date or batch in which there is a mistake. In this way the discrepancies due to the reasons mentioned in items (i)—(iii) of sub-clauses (1) and (2) of clause (b) above are settled.

(d) The short or excess totals by the Postmasters or by the machine operators are settled by checking the totals of the Paid Lists by mental process

(e) To facilitate check the reconcilers should see the note made by the arrangers in respect of the arrangement of the Money Orders, in the Paid Lists, Consolidation sheets or Abstracts. The manner of settlement of each discrepancy should be noted on the reverse of the relevant manuscript slip prepared by the machine operators.

**408-B** The reconcilers are required to—

- (i) Compare the first period abstracts when dealing with those of the second period and to check the grand total of the amount column of the second period abstracts ;
- (ii) Notice irregularities to the Postmaster on receipt of a currency expired money order along with current money orders ;
- (iii) Report to the Head of the Circle (in Form A. G. P. T.-404) cases, pointed out by machine operators, in which memos. of admission of payment do not contain the payee's signature unless the Head of the Circle has already intimated orders on them to the Audit office ;
- (iv) Forward Foreign Circle money orders to the Audit Office concerned when received without being charged ;
- (v) Notice irregularity to the Postmaster for the Home Circle money orders received without being charged and issue enquiry memos. relating to the same to the Foreign Audit Offices ;
- (vi) Prepare check slips (Form A. G. P. T.-403) for the wanting money orders and keep them in the proper bundle and call for them from the Postmaster by issuing objection statements and issue enquiry memos. relating to the same to the Foreign Audit Offices ;
- (vii) Notice irregularities (Form A. G. P. T.-400) to the Postmaster in case of discrepancies (short or excess charges) in the Paid List, adjusted by them by addition to or deduction from a subsequent date's totals, instead of by charge or credit in the cash account ;

- (viii) Notice irregularity statement to the Postmaster for other irregularities in respect of paid money orders and lists which may be detected in course of examination
- (ix) Note on the paid money orders concerned, the amount actually charged in the paid list for the guidance of the debit checkers in the case of short or excess charge found after comparison ; and
- (x) Note the result of his day's audit in the remarks column of his daily report book.

### Counting.

**408-C.** (a) After the reconciliation of discrepancies is finished, the paid lists and the abstracts together with the bundles of paid money order vouchers are made over to the Counters through the distributing auditor.

(b) The Counters are required to—

- (i) Count the number of vouchers from the entries in the paid lists and note the discrepancies, if any, against the corresponding entries in the abstract by *plus* and *minus* entries and correct the number of money orders shown on the slips (Form A. G. P. T.-405) placed at the top of the bundle by the arrangers ;
- (ii) The Counter will sign below the Arranger's Docket, prescribed in Article 407, in token of his having counted the number of Money Orders in the paid lists, and will put the correct numbers of Money Orders found by counting and also the number of bundles despatched to the sorting group ;
- (iii) The counter will enter daily in a Memo. (Form A.G.P.T.-407) the number of paid orders to be transferred to the Sorting Group, a separate memo. being used for *each month of issue*, as well as for *each month of payment*. The distinction according to month of issue will be apparent from the colour of the Form used. The entries in the memo. will be made from the details on the " Slip" (A. G. P. T.-405) mentioned in clause (i). The counter should affix his initials against the entries made by him.

### Miscellaneous checking.

**408-D.** The miscellaneous checkers are required to—

- (i) Note in the second period abstracts the number and amount of Telegraphic Money Orders, as shown in the first period ;
- (ii) Fill up the gaps in the paid list, if any, in respect of the names of the office of issue of money orders with reference to the paid money orders ;

- (vi) Note the number and amount of the Telegraphic Money Orders in the abstract from the paid list for statistical purposes, check the grand total of the numbers and cast the grand total of the number and amount of the Telegraphic Money Orders in the second period abstracts ;
- (vii) Issue reference to the Postmasters for wanting lists and other irregularities in connection thereof .
- (viii) Prepare in manuscript wanting paid lists, if any, with reference to the paid money orders

**408-E.** The Supervisor of the first and third stages of work in the Paid List Section will be to advise and help the arrangers and the reconcilers in their work whenever they experience any difficulty. He will train any new men posted to these two sections in their work.

Daily he should fully review the work of one reconciler to see that the checking of the Postmaster's abstract of daily totals with those prepared by the machine operators has been correctly done. He should also check carefully in detail six items of discrepancies noted by the reconcilers as 'machine operators' mistakes' entering the facts of these daily checks in the diary to be maintained by him. The Diary should be submitted to the Senior Accountant daily and to the Gazetted Officer in charge every Wednesday.

At the end of the day he will collect from the reconcilers all the operators' manuscript slips that have been completely examined and see that the discrepancies noted therein in red ink have all been settled and a note to that effect together with the manner of adjustment has been recorded on the reverse of the slips concerned. In cases of doubt he should go through the Paid List and Abstracts of daily totals and ascertain whether the particular adjustment has been correctly made. He will maintain the forecast register with reference to the rates of work of the Paid List group. The mistakes of the operators in totalling the values of paid money orders should also be noted by him daily in the Error Book of Machine operators maintained by the Supervisor comptometer group according to clause (b) of Article 393. The entries in it should be made with reference to the remarks made by the reconcilers in settlement of the discrepancies in the Operators' slips. For this purpose he should open separate columns in the Error Book. The Memorandums of Money Orders made over to Sorting group [see clause (iii) of Article 408-C] should be collected, totalled and also initialled by the Supervisor before their despatch to the Sorting Group every day. In case the total number of mistakes shown as due to machine operators' mistakes falls short of 6 items in a day, the actual number available for the day should be checked in detail.

#### **Audit of Summaries of Money Orders paid.**

**409.** As stated in the Note to clause (6) of Article 387, the Summaries of money orders paid, intended for several Audit Offices, are all received together

in the Home Audit Office, separately for each month of issue. The Audit of these summaries is conducted in three stages, *viz.* (1) Cross totalling by the machine of the totals of the several columns of the Summaries, (2) machine totalling of the monthly totals as worked out in the abstracts for the II period and preparation by the operator of Consolidated totals of amount and No. of money orders, and (3) reconciliation.

The work in the first and second stages is done by the machine operator while the work in the third stage is done by non-machinists called the Summary clerks.

**409-A.** After getting the certificate of agreement from the Auditor, Postal Audit Section, of the grand total with the charge in the Cash account as laid down in Article 411 below, the Summary clerk will make over the Home summaries to the operators for doing the first stage of Summary Audit. A cross-total of the totals in columns 2 to 5 of the Home Summaries is struck by the machine operators and agreed with the grand total in column 6 thereof as given by the Postmaster. In the case of a disagreement, the difference should be reconciled by a reference to the figures for all the Audit Offices as shown in the Summary for the Home Audit Office and noted as a *plus* or *minus* entry below the respective totals shown by the Postmaster in the Home Summary. This reconciliation should be effected before the despatch of the summaries to the respective foreign audit offices. The number of items of the operators' daily outturn should be obtained by actual count of the number of columns in all the summaries dealt with by him and of the number of items he was required to agree in the process of reconciliation.

**409-B.** In the second stage of the work the machine operator, in respect of each Head Office and all its sub-offices, strikes a total of the monthly totals (including the corrections) as shown in the abstracts for the II period, separately showing the consolidated total of the number and value of ordinary money orders paid as well as of telegraphic money orders paid. This abstract, prepared by the operator for each office, will thus consist of 4 items,—*viz.*, the number of ordinary money orders and their value and the number of Telegraphic Money orders and their value, so that if a Head Office has 20 Sub Offices under it, the operator will have to total 84 items including those of the Head Office. The number of items for outturn should, however, be obtained by actual count as it may sometimes happen that no telegraphic money orders are paid at a particular office during a certain period.

**409-C.** The consolidated totals of the number and value of money orders as prepared by the operator in the second stage (*vide* Article 409B) are compared by the Summary clerks with the totals in the Home Audit office columns of all the Summaries including the Foreign Summaries received from the other Audit Offices. The discrepancies, that may then be brought to light, are due either to the operator's mistakes or to short or excess charges. These discrepancies should be reconciled by comparing the entries in the abstract

with the corresponding entries in the Summaries. As no figures relating to the Telegraphic money orders appear separately in the Summaries, Consolidated totals relating to them as prepared by the operator are not subject to further verification or reconciliation.

NOTE 1 — For the purpose of outturn, the number of offices in Summaries should be multiplied by 2 irrespective of the fact whether there are any transactions or not, but in the case of summaries audited in respect of money orders paid preceding credit, only those offices which have any transactions should be multiplied by 2.

NOTE 2 — The Summary Clerk should maintain progress reports showing the number of summaries and extracts from summaries received and the number checked daily by them and the number outstanding. In addition, the number of items dealt with as per Note 1 should also be noted.

410. The Summary clerk should also see that the total shown in the Foreign summary agrees with the corresponding total in the Home summary. Any discrepancy noticed in the course of this verification should be noted as a *plus* or *minus* entry below the total shown in the Foreign summary and a note of agreement made and signed by him against the total. He need not check the grand total by cross totalling the columns 2 to 5 but he will see that the grand total of each summary is agreed with the charge in the Cash Account under the head "Money orders paid" for the month of issue concerned.

411. A certificate of agreement will be obtained from the auditor in the Postal Accounts Section who will mark the grand total 'agreed' placing his initials below the entry. In cases of disagreement, if the aggregate charge in the cash account agrees with the aggregate amount as exhibited in the summary, the figures of each month of issue as entered in the summary, should be posted by the auditor in the Classified Abstract irrespective of the amounts shown in the cash account, the remarks "agreed with the cash account" being made in the summary under his initials with date. When, however, there is a discrepancy between the aggregate amount as entered in the cash account and that shown in the summary, the amount of discrepancy should be taken in the Classified Abstract against the head "Issues of current month" so that the total amount included in the Classified Abstract on account of money orders paid during a month may always agree with the total amount charged in the cash account of the month. In cases of such discrepancies, the following note should, however, be made by the auditor in the money order summary against the total amount relating to the current month's issues: "taken as Rs. .... in the Classified Abstract"

NOTE.—Any difference between the grand total of the consolidated Home summary and the charge in the cash account should be taken to relate to the Home Circle figures, the Foreign Circle totals being regarded as having agreed with the cash account.

412. The totals of the Foreign summaries received from other Audit Offices should be entered separately for each Audit Office in a Register (Form A. G. P. T.-409) and the summaries forwarded within a week of their receipt to the Foreign Audit Offices concerned for audit and record. An advice of transfer debit will also be sent to each Foreign Audit Office for the total of the Foreign summaries pertaining to that office, debiting the amount to



'money order remittance' and crediting the Inland money order head (by deduction from debit) for the month of issue concerned.

The Foreign summaries received from the other Audit Offices should be checked in the same way as the Home summaries. The amount transferred on this account by the Foreign Audit Offices by means of an advice of transfer debit will be entered in a register (Form No. A. G. P. T.-409) and adjusted by credit to 'money order remittance' and debit to the Inland money order head for the month of issue. Any discrepancy found on examination of the Foreign summaries will be pointed out to the Postmaster of the Foreign Circle concerned by means of an objection statement.

413. An objection statement will be issued to the Postmaster concerned for any discrepancy noticed in the audit of summaries and an enquiry will at the same time be made of the other Audit Offices in printed half-margin memo. (Form No. A. G. P. T.-408) as to whether there is a corresponding, or any, difference in the accounts rendered to those offices. When the amount of the discrepancy exceeds Rs. 25, a telegraphic reference (in Code words) will be made to the other Audit Offices. If the reply which is also telegraphed (in Code words) does not reveal any corresponding difference, an objection statement will be issued to the Postmaster.

NOTE 1.—Differences in the amounts charged for different months of issue which do not affect the aggregate amount charged in the cash account for all the months of issue, are not pointed out to the Postmaster, but are adjusted in the Audit Office. The Summary clerk enters the particulars of the corrections rendered necessary between different months of issue in a register which will be totalled monthly. A transfer entry will then be made for the rectification of classification shown in the cash account, as the Postmaster's totals of the summaries corresponding to the several parts of the paid list are verified with the cash account entries.

NOTE 2.—See Note under Article 478.

#### Statistics of Money Orders Paid.

414. For statistical purposes, the figures of Paid summaries (Home and Foreign) relating to the total number and value of paid money orders issued in the Home Circles are entered separately for office and each Postal Circle of payment, in a register to be maintained in Form A. G. P. T.-402, the transactions relating to telegraphic money orders being recorded in a separate column, *vide* Article 503.

#### Sorting of Paid Money Orders.

415. The work of sorting paid money orders is done in four stages:—

First stage—sorting according to Head Offices of issue.

Second stage—sorting according to Sub-Offices of issue.

Third stage—arranging of the sorted orders under each head or sub office according to the serial numbers of the orders.

Fourth and final stage—counting, bundling and labelling.

The sorting of paid money orders should be completed on the dates noted below :—

1st period	18th of the next month.
2nd period	3rd of the second month following.

416 Each bundle of money orders received from the Paid list group is examined by the Supervisor to see that the number of vouchers shown on the slip placed on the top of the bundle agrees with the corresponding entry in the Memo (Form A. G. P. T.-407). The Supervisor should note against each entry in the Memo, the names of sorters among whom the vouchers will be distributed for counting, keeping in view that each sorter may get approximately 1,000 vouchers. The vouchers will then be distributed among the sorters for sorting.

A progress register for each sorter should be maintained in Form A. G. P. T.-410.

417. The sorter will verify, by actual counting, the number of vouchers noted in the Memo, and then sort the money orders by Head Offices of issue with reference to the money order name-stamp impressed at the top of each money order. The sorted bundles will be collected by the distributors from each sorter, and after necessary entries have been made in the progress register, the sorted orders will be collected in a receptacle for each Head Office.

NOTE 1.—At the commencement of a period, there will always be 6 days' accumulations of paid money orders, as the interval between the commencement of paid list examination and that of sorting for a period is ordinarily 6 days.

NOTE 2.—In order to avoid the mixing up of money orders issued in one month with those issued in another, the sorting in all stages is done by sets of men. If the distribution of work requires the same man to deal with different months of issue, great care should be taken at every stage of the work to keep one month's issues apart from another month's, bundles for one month being disposed of before those of another month are taken up.

418. Each sorter is next allotted a certain number of Head Offices and is required to sort the orders according to the several Sub-Offices under each Head Office and then serially arrange them for each Head or Sub-Office of issue.

The sorted bundles will be detained in the Sorting group and added to from day to day as the daily despatches are received from the Paid list group and the whole list kept serially arranged until the last despatch for the period concerned has been received. All the bundles will then be amalgamated into a main bundle, serially arranged.

419. The orders for each Head Office including its Sub Offices will next be counted by hundreds, placed crosswise and bundled, the total number in each bundle being noted on a slip in Form A. G. P. T.-411 placed at the top and signed by the Head Sorter, showing (1) the Head Office of issue, (2) the number of paid orders, (3) the month of issue and (4) the month of payment, with the sorter's initials.

420. The number of orders contained in the bundle or bundles for each Head Office, as shown in the slips, will then be posted by the Head Sorter against the names of the respective Head Offices of issue in the sorting broadsheet [Form No. A. G. P. T.-412 (a), etc.]. A separate broadsheet should be used for each month and Postal Circle of issue of money orders. The totals of the Circle broadsheets are consolidated at foot of that for the "principal" Circle and the grand total arrived at in the broadsheet for the principal Circle is compared with the grand total of all the Paid list broadsheets. The difference between the two totals is explained in a separate sheet of paper and a report submitted to the Gazetted Officer in charge through the Senior Accountant.

NOTE.—Before the agreement of the Sorting Broad Sheet is taken up, the Head Sorter should see that the number of money orders, extracted for test debit check according to Article 420-A., has been noted thereon by the Accountant, Debit Check Group, under his dated initials.

421. The serially arranged bundles for each Head Office together with the respective broadsheets for each period of payment are then made over to the debit-checking group for audit. The bundles and the broadsheets are kept distinct for each month of issue. For this purpose, the broad sheets are maintained in three distinctive colours, viz., Brown, Red and Yellow.

421-A. Each of the Head and the Assistant Head Sorters should maintain a diary to record his daily work. He should also review the work of two sorters daily by rotation. The result of the review should be duly recorded in his diary which will be submitted to the Senior Accountant daily and to the Gazetted Officer every Wednesday.

NOTE.—The Deputy Accountant General may, at his discretion, allow a head sorter or an Assistant head sorter to review the work of one sorter only instead of two.

### Money Orders Mis-sorted by the Post Office.

422. It may happen that a money order issued within the area of a Foreign Circle of audit may erroneously be received with the Paid list. The mis-entry of such an order in the Paid list is detected in the course of sorting or by the debit-checker. If the sorters work properly, such money orders should inevitably be intercepted by them, in which case the orders should be made over to the Head Sorter. The latter will enter them in a register and send it along with the vouchers to the Paid list group for verification of the charge. The Paid list examiner will record a certificate of verification on the vouchers and make over the register and the vouchers to the Remittance auditor for transmission to the Foreign Audit Office concerned with an advice of transfer in Form A. C. G.-77. The advices of transfer debits for money orders mis-sorted by the Post Office should be recorded in a remittance register in Form A. G. P. T.-409 and despatched to the Foreign Audit Office concerned twice a week. The number and date of the advice of transfer will be noted in the register of money orders mis-sorted by the Post Office in Form A. G. P. T.-413 against the entries and the register returned to the Sorting group. At the

end of the month, the remittance register will be totalled and the total amongst amount adjusted by debit to 'Money Order Remittances, and credit to 'Inland Money Orders' by deduction from debit.

**423.** The Audit Office receiving the money orders with the advices of transfer debit, will also enter them in a remittance register in Form A. G. P. T.-409 and at the end of the month will make the necessary adjustment in its accounts by debit to 'Inland Money Orders' and credit to 'Money Order Remittances'. Such money orders will not be made over to the debit-checkers, but will be dealt with by the special clerk entrusted to receive them, who will check payments against issues in the Issue list, encircling the entries of amounts and marking them with the letter 'C' (Calcutta), 'M' (Madras), 'D' (Delhi) or 'N' (Nagpur), as the case may be, to indicate the Audit Office from which the money orders were received, and file the money orders after audit with the respective advices of transfer. The accountant in charge of the Remittance group should record these advices of transfer, after satisfying himself that the money orders were audited properly

#### **Misclassified Money Orders.**

**424.** If, in the course of sorting, a money order pertaining to a month of issue is found in a bundle of money orders relating to a different month of issue, the money order will not be removed from that bundle, but will be placed at the top of that bundle so that the necessary adjustment may be made by the Debit-checking group

NOTE.—Bogus money orders are also liable to be detected by the sorter at this stage. If the number assigned to such an order does not fall in the series in which the genuine money orders are issued on that date, or the same number appears for two money orders issued on a certain date, the sorter should at once take them to the Head Sorter for necessary action

#### **Debit checking or checking Payments against Issues.**

##### *Process of debit-checking.*

**425.** Each debit-checker will be allotted a certain number of offices for debit-check and will receive from the Sorting group the bundles of paid money orders relating to his portion, no matter in what months they are issued, and sign the corresponding entries in the sorting broadsheets in the column provided for the purpose. As the bundles are tied up in hundreds and kept cross-wise, he will count the hundreds and tally the number with the entry on the slip placed on the top of the bundle. If any discrepancy is discovered, it will be brought to the notice of the auditor in charge, who will settle the difference in communication with the Head Sorter.

Each debit-checker will be allotted different offices in different months. The selection of offices will rest with the Senior Accountant in charge of the Section and for this purpose a broadsheet showing the distribution of offices among the debit-checkers during the several months should be maintained

by him. The selection should be so arranged that no debit-checker may be in a position to have any idea of the offices to be assigned to him in a particular month

NOTE -When receiving a bundle of sorted orders, the checker should see whether the months of issue of money orders agree with the months noted on the slips placed on the bundle.

426. If, in the process of debit-checking, it is found that certain orders have been mis-sorted as to Head Offices of issue, these will be transferred to the proper checker by making entries in the *plus* and *minus* columns of the broadsheet or sheets, as the case may be, his initials being taken against the *plus* entries, while the checker, who transferred such orders, will initial the corresponding *minus* entries.

427. If, in the course of debit-checking of money orders relating to a month of issue, certain money orders relating to a different month of issue are found, a note should be made on them of the incorrect month's bundle with which they were received. They must, after check in the Issue list concerned, be transferred to the Assistant Auditor for entry in a register in Form A. G. P. T.-413 and for rectification of the classification in the Paid lists and of the cash account figures. The entries in the register will be totalled each month and a transfer entry made by debiting the correct months of issue and crediting (by deduction from debit) the months of issue under which they were wrongly classified in the cash account

Some Money Orders may also be found the credits for which cannot be traced in the Issue Lists in consequence of incorrect or illegible entries in them or due to defective or incomplete particulars. Such money orders which are called miscellaneous money orders are made over to the Assistant Auditor who will make an attempt to check those money orders against issues. If he fails in his attempts action should be taken to obtain complete particulars of these money orders and then to debit-check them

The misclassified money orders after rectification and the miscellaneous money orders after being debit checked, should be made into separate monthly bundles and arranged according to offices of issue.

428. The broadsheets will be retained by the Auditor in files arranged according to dates of their receipt. When a month's accounts have been finally audited, the broadsheets and money orders relating to that month will be made over to the Record clerk; they should be destroyed under the Deputy Accountant General's orders after the prescribed period.

429. In debit-checking a money order in the Issue list, the checker will compare the number of the money order and the amount as entered by the post office (in figures and in words) with the corresponding entries in the Issue list, and mark against the amount in the latter, the latter of the alphabet assigned to each individual checker with a coloured pencil in token of having

thus debit-checked the money order. The entries in the Issue list for money orders paid in different months (which are received in separate bundles—see Article 419) will be ticked off in different colours thus—

Blue—indicating payments in the month of issue.

Green—indicating payments in the next month.

The checker will also note any difference between the amount of the paid money order and the credit in the Issue list in either of the two columns provided for the purpose on the form of the list and issue an objection statement to the Head Postmaster pointing out the short or excess payment.

NOTE 1.—Money orders paid in the month preceding the month of credit will also be debit-checked in blue pencil

NOTE 2.—The debit-checker should take into account any red ink note made by the Paid list examiner on the money order showing the amount charged in the Paid list

NOTE 3.—When a difference is found between the amount of a money order and the credit in the Issue list, the debit-checker will, before entering the difference in an objection statement, re-check the total of that page of the Issue list to satisfy himself that the incorrect credit entered in the Issue list has been included in the total of that page and that the total has been carried over to the next page. He should also take into consideration any entries that may have been made by the Issue list Examiner on the list.

NOTE 4.—In debit-checking, the telegraphic money order receipts are treated as ordinary money orders

NOTE 5.—Should the debit-checker find any money order pertaining to a Foreign Circle of Audit, he will hand it over to the Auditor who will transfer it to the Head Sorter, obtaining his receipt for the same on the Head Office sorting broadsheet with which it was originally received.

**429-A.** In order to test the accuracy of the work done in the 'Debit-check' group, the Accountant should, just after the 1 stage sorting, viz., Head Office Sorting, abstract approximately at the rate of four money orders for every 1,000 money orders from the receptacle for each Head Office, so that the number, so abstracted may work up on the aggregate to .4 per cent. of the total number of the transactions for all the offices taken together. He should keep them with him under lock and key till the issue lists for the period have been debit-checked. For the purpose of ascertaining that the abstracted money orders work up to the required percentage on the aggregate they should be entered in a register (Form A. G. P. T.-413-A) maintained for this purpose, and their number should be counted and agreed with that arrived at by calculating 4 per thousand on the total number of money orders entered in the Paid list broadsheet for the period, and a record of this agreement should be made in the register of the abstracted money orders below the entries for the period. The abstracted money orders should then be debit-checked and it should be seen whether these money orders appear as unpaid or not. If any of these money orders is marked by the debit-checker as paid, the matter should be brought to the notice of the Gazetted Officer for necessary disciplinary action. The register of abstracted money orders should be kept confidentially with the Accountant, and submitted to the Gazetted Officer every month after the debit-checking of the period is completed. The mistakes of debit

checkers found out at the time of test check should be entered in an Error Book maintained for this purpose. This Error Book should also be utilised by the Ledger Group for noting the errors and omissions of debit checkers revealed by the examination of the bundles of paid money orders, referred to in Note 3 to Article 459. The Error Book should be submitted monthly to the Head of the Office through the Senior Accountant and the Gazetted Officer-in-Charge. The auditor in charge of the correspondence group will submit to the Accountant, Debit-Check Group all cases in which a call or reference is received for a particular money order reported as unchecked by the clerk dealing with such calls.

NOTE 1.—In the work of the test debit-checking the Accountant may have the help of an auditor but abstraction and debit-checking (30 money orders per day) by way of supervision should be done by the Accountant himself.

NOTE 2.—The Accountant, Debit Check group, should note the total number of money orders extracted in the Sorting Broadsheet for the period and attest the same with his dated initials.

430. The conversion of sterling value into rupee currency in respect of Foreign sterling money orders is checked by the Examiner of the Foreign money order list, *vide* Articles 522 and 533. The debit-checker should take into consideration any note or correction made by the Examiner of Foreign money order lists either on the outward money order or in the inward Money Order list and issue an objection statement if necessary. The conversion of the sterling value should, of course, be checked by the Auditor and the Accountant when the objection statement is passed. If no note or correction appears on an outward sterling money order, the amount of value in rupees as noted by the Postmaster will be compared with the entry in the Issue list.

431. It happens that the credit for a Telegraphic money order cannot be traced in the Issue list in consequence of incorrect or illegible entry of the name of the office of issue on the Telegraphic money order receipt. Before issuing an objection statement for the non-credit of the Telegraphic money order, the auditor to whom such Telegraphic money orders will be made over by the debit-checker, will make an attempt to find out the correct office of issue by a reference to the Telegraphic money order requisitions. If he fails in his attempts, he will issue a telegram in Code words "Graeca" in cases of Rs. 100 and above and half-margin references marked "urgent" in other cases, asking the office of payment (sub-postmasters being addressed direct instead of through the Head Office) to intimate the correct office of issue by referring to the postal confirmation of the Telegraphic money order advice. If the reply is not satisfactory, the postal confirmation itself should be called for. If the correct office of issue showing the credit for the Telegraphic money order cannot even then be found out, the charge for the money order should be disallowed in audit and the item placed under objection.

NOTE.—The cost of telegrams issued in this connection is recoverable from the Post Office officials at fault and the Audit Office will address the Divisional Superintendent or first class Postmaster, as the case may be, for recovery of the amount.

*Settlement of Discrepancies.*

**432.** Care should be taken to see that in cases of discrepancies, the objection statement is issued to the Head Postmaster of the office of issue or payment, as the case may be. When a discrepancy is noticed between the credit and charge for a money order, the remitter's entry on the money order as to the amount of remittance should be relied upon. If the amount entered by the remitter agrees with the credit, then it should be assumed that the amount paid is incorrect, *i.e.* the case should be treated as one of short or excess payment, as the case may be, and the objection statement issued to the Head Postmaster of the office of payment of the money order. If, on the other hand, the amount entered by the remitter on the money order agrees with the amount paid, then it should be assumed that the credit afforded in the Issue list is incorrect and the case should be dealt with as one of short or excess credit of money order and the Head Postmaster of the office of issue addressed to settle the objection. In the case of Telegraphic money orders, the Telegraphic money order requisitions should be consulted for the correct amount of remittance. In the case of Value Payable money orders, however, the Head Postmaster of the office of issue of the money order will be addressed for recovery from, or refund to, the addressee of the Value Payable article, as the sender of the Value Payable article is entitled to the amount noted by him for recovery on the article.

**433.** Sometimes on receipt of complaint from the remitter or the payee of a money order, Postmasters take action for the recovery or refund of the excess or short payment and adjust the amount in their accounts, sending an intimation to the Audit Office. In such cases, the credit or charge will be verified and the fact noted in the Issue list by the Auditor, Debit-checking group, against the money order concerned, so as to attract the attention of the Debit-checker in the course of his debit-checking. No objection statement will be issued to the Postmaster in such cases, but a 'not to issue' objection statement will be prepared.

*Adjustment of small differences.*

**434.** Differences in the money order accounts of sums not exceeding two annas on account of over credits and short credits of value and commission or short payments and over-payments on value of money orders (except in the case of Revenue money orders) need not be included in the Objection Books and objection statements. Over-credits of value and commission or short payment on money orders not exceeding two annas should be noted in a register in Form A. G. P. T.-414 for each Postal Circle and the total amount adjusted by monthly transfer entries to the credit of "Fees and other receipts—Other items" under Abstract B-Miscellaneous Revenue, by debit to 'Inland Money Orders—month of issue' or 'Money Order Commission'. Short credits of value and commission or over-payments on value of money orders should be noted in a separate register in Form No. S. Y.-265. The total amount will be adjusted monthly by debit to "Abstract J-V—Miscellaneous Postal Expenses



—Losses, etc., written off—Irrecoverable over-payments” and credit to ‘Inland Money Orders—month of issue’ or ‘Money Order Commission’. The two registers should be submitted monthly to the Gazetted Officer in charge through the Senior Accountant for review. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster’s special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster’s carelessness.

NOTE 1.—In some cases, pies are included by mistake in foreign rupee money orders and the postmaster of the office of exchange directs the postmaster of the office of issue of the money orders, to refund the pies to the remitter. These cases should be included in the Objection Books and objection statements should be issued.

NOTE 2.—When a case of difference not exceeding two annas noticed during audit of Revenue Money orders, has been brought to the notice of the party concerned and it is found that the party does not choose to take any action in the matter, the objection may be withdrawn in the manner contemplated in Article 477.

#### Time allowed for checking Paid Orders.

435. Checkers receive money orders in fortnightly bundles from the Sorting group, and a fortnight is allowed for the disposal of the batch. The number received by each checker and his daily outturn as well as the balance in hand are daily recorded in a progress report book in Form A. G. P. T.-415 (see Article 512).

The debit checking of the paid money orders should be completed on the dates shown below :—

Paid money orders received with the first Bi-monthly List of money orders paid	. . .	3rd of the second month following.
Paid money orders received with the second Bi-monthly List of money orders paid	. . .	20th of the second month following

#### Errors and Omissions.

436. Errors or irregularities discovered in checking the paid orders will be noted in coloured pencil on the money order and issue list, as the case may require, and will be communicated to Postmasters in the manner prescribed in Chapter 20 of the Posts and Telegraphs Audit Code, Volume I.

#### Recording paid orders.

437. As the checker completes the check of the paid money orders, he will record the bundles of money orders appertaining to each head and sub office of issue and month of issue and payment in the fortnightly bundles as received from the Sorting group (see Article 421). If an objection statement is issued pointing out discrepancy between the credit and the charge on account of a money order, the money order will be stitched or securely fastened to the objection statement as an enclosure, a check slip (Form No. A. G. P. T.-403) being prepared and signed by the Auditor in charge and placed in the bundle. Such money orders, on their return, will be filed with the case relating to the

objection statement. In place of every money order removed from the bundle of recorded vouchers, a check slip must be prepared by the person who wants it to be removed. The checkers will be held personally responsible for any money order found missing from a bundle in their charge, without a check-slip being placed in lieu thereof.

#### **Transfer of vouchers and Issue lists to Ledger group.**

438. After the issue lists have been fully checked, the recorded bundles of vouchers and the issue lists will be transferred to the Ledger group for the picking out of unchecked items. It should be clearly understood by the checkers that after the vouchers and issue lists have once passed out of their hands, no further checking or alteration should be made by them in the issue lists. If necessity for this should arise, the vouchers should be made over for disposal to the Ledger group by the auditor in charge of the debit-checking group in which the vouchers are received.

#### **Review.**

438-A. The work of each debit-checker should be reviewed thrice a month by the Auditor and the Accountant, Money Order Section. The Auditor and the Accountant for the purpose of this review, will test-check daily, from each debit-checker's work, a certain number of items which should be so fixed by the Head of the office that the total number of items checked is not less than 450 a day.

#### **Duplicate Money Orders.**

439. When an intimation is received of the issue of a duplicate order in lieu of an original order lost before payment, the clerk who receives such intimation will refer to the issue list, and see that the original order has not been noted as paid. If he finds that the original order has been paid, he will at once telegraph to the office of payment or send an express letter in Form A. G. P. T.-443, as may appear necessary stopping payment of the duplicate. If it has not been paid, he will note the fact of the issue of a duplicate in red ink against the entry in the issue list. Should the original order be found afterwards in the course of debit-check, the checker will transfer it after check to the clerk who deals with cases relating to intimations of issue of duplicates, for such action as may be necessary.

NOTE 1.—Intimations of issue of duplicate money orders will be indexed by the clerk concerned in a separate register which will also show the final disposal of the intimations. These intimations should invariably be dealt with as urgent correspondence.

NOTE 2.—A statement of irregularities in the issue of duplicate money orders should be sent to the Head of the Circle every month.

#### **Void Money Orders.**

440. A "Void money order" is a money order not paid within the period of its currency i.e., on or before the last day of the month following the month of its issue.

### Lists of Void Money Orders.

**441.** Void lists (Form No. M. O.-19) are prepared only by Head Offices of issue and include such unpaid void money orders as were issued either by the Head Office or any of its sub-offices. Void money orders relating to the issues of other Head Offices are returned to the Head Offices of issue to be included in their void lists. Thus each Head Office submits only one void list to its own Audit Office, and the money orders appear in the list in serial order. The void lists are due for submission to the Audit Office on the 16th of each month, and include money orders treated as void at the end of the month following that of issue. Separate void lists are submitted of the money orders issued in each month (also see Article 445). Void money orders received direct from offices of payment under Rules 289 (4) and 300 (4) of the Posts and Telegraphs Manual, Volume VI, should be entered in the list of void money orders concerned.

**442.** Void lists are dealt with in the Miscellaneous group of the Money Order Section where they are first examined with the void money orders that are received therewith. If any money order entered in the list is missing or if a money order be received in excess, the fact should be brought to the notice of the Postmaster. An explanation of the absence of an order should be called for, unless accounted for by a remark in the void list. The examination of the void lists should be completed within one week of their receipt.

**NOTE.**—Should a void money order of a Foreign Circle of Audit be erroneously included in the Home Circle void list, it will be struck out therefrom and such void money order will be forwarded to the Audit Office concerned, where its entry will be supplied in the appropriate void list and it will then be dealt with in the ordinary course. The error should also be pointed out to the Postmaster concerned.

**443.** Credit in respect of each void money order should then be verified with the entry in the Issue list. The letter 'R' should be marked in red pencil against the amount of the order in the Issue list to indicate that the money order has been received in the Audit Office as unpaid void.

No account adjustment will be necessary for the unpaid void money orders and their amounts will continue to remain under the Inland Money Order head for the month of issue.

The unpaid void orders will, after check, be kept arranged in bundles of convenient size for each month of issue according to Head Offices of issue in alphabetical order so that they can be easily traced for re-issue when payment is claimed.

**444.** All the items not checked in the Issue list will be entered in the list of unpaid items. After the preparation of the list of unpaid items for a Circle is completed, the void list and the list of unpaid items will be arranged alphabetically according to Head Offices and bound together to constitute the "Register of unpaid money orders." There will thus be a separate monthly volume for each Circle.

**N.B.**—Care should be taken to see that no item in the void list is entered again in the list of unpaid items. The Accountant in charge of money order ledger should exercise this check.

**NOTE.**—The procedure for the preparation of the list of unpaid items is laid down in Article 459.

**445.** Void unpaid money orders received by the Postmaster of the office of issue after the submission of the void list will be forwarded to the Audit Office with covering letters. These money orders should be entered in the Void lists and checked in the register of unpaid money orders or Issue list according as the preparation of list of unpaid items from the Issue list is completed or not. After check, they should be filed in the proper place in the bundles of void unpaid orders.

#### Payment of void Money Orders.

**446.** Although a money order is technically 'void' if not paid within currency, there is no bar to its being paid, if payment is possible. In such cases, the payment is treated in the Post Office accounts, not as a money order payment, but as an unclassified payment and is debited in the accounts by the Postal Accounts Section to the "Inland Money Order" head in respect of Home Audit Office issues and to "Money Order remittance" in respect of Foreign Audit Office issues. The classification is advised by the Money Order Section, before the posting of the Classified Abstract.

**447.** On receipt of the schedule of void money orders paid with the paid money orders, the sub-auditor in the Money Order Section will—

- (a) see that the particulars of the money orders agree with the entries in the schedule and then tick off each entry in the schedule ;
- (b) verify whether each entry in the list is supported by a money order and if a voucher be found wanting make a reference to the postmaster calling for the voucher, keeping the amount under 'items awaiting clearance' in the Objection Book and preparing a check slip in lieu of the money order and placing it in the bundle ,
- (c) check the totals of the schedule ;
- (d) if any money order issued from a Foreign Audit-Circle be wrongly entered in the Home Circle schedule or *vice versa*, correct the entry by scoring out the item from the wrong schedule and inserting it in the proper one and recast the totals of the schedules ;
- (e) compare the totals of the Foreign Audit Circle schedules with the entries in the Home Audit Circle schedules, mark the total 'agreed' and initial the entry ;
- (f) forward the Foreign Audit Circle schedules to the Foreign Audit Offices concerned together with the paid money orders and relative advices of transfer ;
- (g) sort the paid money orders of each head office in respect of Home Audit Office schedule according to months of issue and serially, and prepare an abstract in red ink at the bottom of the last sheet of the schedule showing the number and amount of money orders according to different months of issue ;

- (h) send the void schedule for each period with the classification noted on its back to the auditor of the Postal Accounts Section who will initial the total of the schedule marking it "agreed" after verifying with the charge in the corresponding schedule of unclassified payments and return the void schedule to the Money Order Section. The auditor of the Postal Accounts Section should note on the back of the schedule of unclassified payments, the classification given on the void schedule for each period and incorporate the same in the Classified Abstract for the month concerned ;
- (i) post the total for each month or year of issue and for each Foreign Audit Office against the head office in the Register in Form A. G. P. T.-416. The register should be submitted to the Gazetted Officer for review through the Accountant every month ;
- (j) re-sort the paid void money orders for each period according to Head office and Sub-office of issue and arrange them serially and debit-check them in the Issue list. Paid void money orders of any month of issue received after the register of unpaid money orders has been prepared should, however, be debit-checked in the register and not in the Issue list. Each item so checked either in the Issue list or in the register should be marked with the letter 'V' in blue pencil. For items debit-checked in the register of unpaid money orders, a note of payment should also be made in the column provided for the purpose ,
- (k) place the paid money orders, after debit-check, in separate bundles for each Head Office and each month of issue, irrespective of the date of payment.

NOTE —Any mis-classification between months of issue found in the course of debit-check should be rectified

#### **Paid Void Orders received from Foreign Audit Offices.**

448. On receipt of void paid orders from Foreign Audit Offices with an advice of transfer debit, the sub-auditor will compare them with the schedules accompanying them, check the totals of the schedules, sort the money orders according to Head Office and month of issue, and classify the amount for each month or year of issue and record them in a Register in Form A. G. P. T.-417. This register will consolidate for each month of adjustment the total amounts debited by all the Foreign Audit Offices and responded to by the Home Audit Office. The amounts debited should be adjusted by credit to "Money Order Remittances" and debit to "Inland Money Orders—month of issue" in the accounts of the principal Circle of the Home Audit Office, and an acceptance of the debit sent to the Foreign Audit Office concerned, a note of the number and date of acceptance being made in the register. The register should be submitted to the Gazetted Officer through the Accountant for review every month.

**449.** The sub-auditor will then re-sort the paid orders according to Head Office and Sub-office of issue, arrange them serially and debit-check the orders in the Issue list or in the register of unpaid orders, if the latter has already been prepared, marking against the entry the initial letter of the name of the Audit Office and the month of adjustment in the Home Audit Office thus :

M June '27.

For items debit-checked in the register of unpaid money orders, a note of payment should also be recorded in the column provided therein

The instructions in clause (c) of Article 447 and the note thereunder will also apply in the case of these money orders

#### **Recoveries from Wrong Payees and payments to Right payees of Money Orders.**

**450.** Credits and debits appearing in the schedules of unclassified receipts and payments on account of recoveries from wrong payees of money orders and their subsequent payments to the right payees should be taken to the detailed head "Recoveries of wrong money order payments" under the head "Deposits" in the Postal Accounts Section. That Section will enter the amounts in a register of deposits (Form A. G. P. T.-70), and watch their subsequent adjustments as in the case of "other deposits". The total credits and debits posted in this register will be agreed with the Detail Book.

**NOTE 1.**—As payments to the right payees are generally made after recoveries of the amounts from the wrong payees, credits will, as a rule, precede the debits in such cases. If, however, a payment is made to the correct party under orders of the competent authority before recovery of the amount from the wrong payee, the charge should be held in the Objection Book of the Postal Accounts Section under "Advances Recoverable—Other Accounts".

**NOTE 2.**—If payment to the right payee is made by an office under the jurisdiction of a Foreign Audit Office, the charge should be transferred by that office through the head "Post Office Remittance" to the Audit Office in which the credit appears, an advice of transfer being sent in Form No. A. C. G.-77.

#### **Transfer of balance from Inland Money Orders to Forfeited Money Orders.**

**451.** The head "Inland money orders" relating to a particular financial year will be kept open in the books for three official years and the balance (i.e., the excess of actual receipts over payments) under the head will, thereafter, be transferred direct to a revenue head—"Forfeited money orders" at the end of the third year of issue by a transfer entry thus :

Dr

Rs.      .. Inland money orders (year of issue).

Cr.

XIX—Posts and Telegraphs.—Abstract B.—

Receipts on account of money orders and British Postal Orders

Forfeited money orders... ..Rs.

Amount of money orders of                      (year of issue) outstanding at the  
end of the year. .... .lapsed to Govern-  
ment.

This arrangement does not preclude the subsequent payment of the money orders, should claims arise on a later date. The items so transferred should be entered in a Register of Forfeited Money Orders (Form No. A. G. P. T.-478) wherein a column is provided to record subsequent payments. The total of the items entered in the Register should be attested by the Accountant. The monthly head "Inland money order" should be kept open in the books only during the financial year in which the money order was issued and the first three months of the following year. From the accounts for July onwards each year, charges on account of payment of Inland money orders issued during the previous financial years will be posted in the Classified Abstract and Detail Book against the annual heads for the years of issue (*e g.*, "Total Inland Money Orders 1927-28"). The balance outstanding at the end of the second year following the year of issue will be transferred to the head "Forfeited money orders". The amount credited to the head "Forfeited money orders" and the amount of unexplained difference in the money order—accounts should be reported by each Branch Audit Office to the Central Office immediately after the March Supplementary Accounts (1st Batch) is closed.

**NOTE**—When payment of a Forfeited Money Order is authorised, the Register of Forfeited Money Orders (Form A. G. P. T.-478) should be submitted to the Gazetted Officer along with the payment order for attestation of the entry in the register.

#### Re-issue of Void Money Orders.

**452.** On receipt of an application in an Audit Office for the re-issue of a void money order, it should be seen that the void money order is one that was issued within that Circle of Audit and if not, the application should be transferred to the Audit Office concerned. A reference will then be made to the register of unpaid money orders (see Article 444) to see if the money order is still outstanding as "void" or "forfeited to Government". If the register shows an entry which corresponds with the particulars given in the application and it is found that the original void money order was received, the money order will be re-issued in favour of the person named in the application, whether he be the remitter or the payee or a person named by either of them.

**453.** Should the particulars given in the application disagree with those recorded in the register of unpaid money orders, the Postmaster will be asked in a letter in Form No. A. G. P. T.-419 to explain the difference. A note of the number and date of this reference will be kept in the register of unpaid money orders.

**454.** If the money order, the re-issue of which is requested, has been paid within or after the period of currency, or if authority for repayment to the remitter in a foreign country has been communicated to the office of exchange or if it has been re-issued already, the facts as known should be communicated to the Postmaster.

**455.** (a) Foreign inward money orders held as void should not, as a rule, be re-issued in favour of any person other than the payees without the assent of

the Indian office of exchange through which they were originally advised. In no case a Foreign inward money order can be re-issued six months after its issue. In such cases, the Postmaster should be asked to obtain the assent of the Indian Office of Exchange.

(b) Applications for the re-issue of void money orders will ordinarily be received through Postmasters (*vide* Rule 301 of the Post and Telegraphs Manual, Volume VI). Applications made by remitters or payees direct to an Audit Office should be forwarded to the Postmaster of the offices of issue of the money orders for necessary action. A money order will not be re-issued in favour of the heir of deceased remitter or payee unless the claim is acknowledged by the competent authority (or by the original payee or remitter, if surviving).

(c) Void money orders sent out on requisition will not be re-issued until they are received back.

(d) When the payee or remitter of a void inland money order applies for its payment to him in a foreign settlement in India, or in a country or place outside India with which money orders can be exchanged, the money order will be re-issued by the Audit Office on the Indian Office of Exchange concerned, with instructions to that office to cash the order and after deducting from the amount a fresh commission at the rates applicable to inland money orders or outward foreign sterling money orders, as the case may be, to advise a fresh order for the balance to the settlement, country or place of payment.

**NOTE.**—This rule applies also to void money orders re-issued by the Audit Office for payment in Indian States, but no recovery on account of a second commission should be made in such cases.

456. On the acceptance of an application for the re-issue of a void money order, the void money order is re-issued by making an endorsement on it, or on a separate slip (Form No. A. G. P. T.-420) pasted to it. Re-issued orders are numbered in an annual series and entered in a register (Form No. A. G. P. T.-421), the fact of re-issue being also recorded in the register of unpaid money orders against each original money order.

The re-issued money orders will be examined by the Senior Accountant or an Accountant of the Money Order Section, and after being passed by him will be placed before the Gazetted Officer for signature. Re-issued money orders will be transmitted to the office of payment in registered covers without any forwarding letters. An intimation in Form No. A. G. P. T.-419 should be sent to the Officer applying for the re-issue, should he not be the Postmaster of the Office of payment.

457. Re-issued money orders, if paid, are not accounted for in the ordinary lists of money orders paid, but in the schedule of void money orders paid referred to in Article 447. The void money order clerk, on receipt of such lists, will note the payments of the re-issued orders in the void list and



transfer the vouchers to the Re-issue clerk who will note the payments in the register of re-issued money orders (Form A. G. P. T.-421), and record the vouchers.

Re-issued orders, if not paid, are returned to the Audit Office where they are held as void. A letter in Form No. A. G. P. T.-422 should be issued to the Office of payment regarding the disposal of re-issued money orders not received as paid or void.

#### **Consolidation of transfer entries made in the various groups of the Money Order Section.**

458. All adjustments made in the Money Order Section will be posted in the Combined Transfer Ledger and Abstract (Form No. A.G.P.T./A.C.-32) by a special clerk attached to the ledger group. For this purpose, the various registers, *e.g.*, the register of Fees and Petty receipts, the registers of writes-off, misclassification, etc., will all be totalled and made over to the clerk in charge of the Combined Transfer Ledger and Abstract by the respective groups with a note of adjustment made below the total. The clerk after noting the entries in the Combined Transfer Ledger and Abstract will return the registers with a note of the pages in which the entries are posted. The Combined Transfer Ledger and Abstract will be totalled and made over to the ledger clerk. The remittance group adjustments will, however, all be directly posted in the Combined Transfer Ledger and Abstract from the registers of remittances. On the 12th of the following month, the total for each detailed head appearing in the Combined Transfer Ledger and Abstract will be copied in an abstract of Transfer entries which will be sent to the Booking Section for incorporation in the accounts

#### **Review of unchecked items.**

459. The Money Order Ledger group reviews the Issue lists with a view to picking out the entries which remain unchecked in either green, red or blue pencil and posts the amounts of such entries in the column provided in the Issue lists for "Items unaccounted for". A statement of these items is prepared in Form No. A. G. P. T.-423 and checked by a reference to the bundles of checked money-orders. If any money-order entered in the statement be found in these bundles, the entries in the statement are struck out and the payment of the money order checked in the Issue list by pencil of the colour representing the month of payment. After this, the issue list should be treated as closed and the entries in the statement copied in the register of unpaid items (Form M. O.-19 void Register). Any remark made in the Issue list against these items will also be copied in the "remarks" column of this list.

**NOTE 1.**—If it is found necessary to remove any item after the issue list is treated as closed owing to the receipt of the Void Money Order or for any other cause, the corresponding entry in the statement or in the register of unpaid Money Orders (if the statement is already copied but the register for the month is not closed) should be scored out with suitable remarks under the dated initials of the Accountant. The corresponding item in the issue list need not be checked. In cases of doubt only, the Issue List is referred to

**NOTE 2.**—The work of picking out unchecked items should commence in the fourth week of the third month following the month of issue and should be completed before the end of the fourth month following the month of issue

**NOTE 3.**—Any unchecked money orders found in the bundles of paid money orders should be noted against the checkers responsible for the mistake in the Error Book mentioned in Article 429-A by opening a separate column in it for the purpose

**NOTE 4.**—Great care should be taken in preparing the lists of unchecked money orders as the money orders outstanding as unpaid by the close of the third year of issue are entered in the Register of Forfeited Money Orders which is kept as a permanent record for admitting future payments.

**460.** The total of the register of unpaid money orders referred to in Article 444 will represent the amount of unpaid orders outstanding. Before arriving at the total amount of outstandings at the end of any month, care should be taken to see that all the money orders charged for in the accounts up to and including that month are debit-checked. The amount adjusted and the month of adjustment will be entered in the columns provided for the purpose. The total amount adjusted in a month will be compiled separately and entered at the end of the register. A broadsheet will be maintained showing the amount of unpaid orders, the amount adjusted and the outstanding balance at the end of each month for each Circle. In the broadsheet for the principal Postal Circle, the balances of other circles will be transcribed so as to arrive at the total balance of unpaid orders for the whole Audit Office. This amount will be entered in column 5 of the extract of the Money Order ledger referred to in Article 468

The register relating to the current period together with the broadsheet should be submitted to the Gazetted Officer through the Accountant in charge for review every month by the 10th of the 5th month following the month of issue.

### Compilation.

**461.** The totals of the Summaries of Money Orders issued and paid are compiled according to Postal Circles in Forms A. G. P. T.-424 and A. G. P. T.-425. The figures in column 5 of these forms are verified with the corresponding figures in the Detail Books. Form A. G. P. T.-425 provides for deductions to be made for payments on account of issues of Foreign Audit Circles and these figures are verified from the Remittance register (see Article 412); both Forms A. G. P. T.-424 and 425 also provide for a compilation of the differences between Summary and cash account figures.

**NOTE.**—In compiling these statements any "Errors in accounting" shown at the foot of the Summaries should be verified with the Objection Books or other registers through which they have been adjusted.

**462.** The payments on account of Home Circle issues communicated in the extracts from Paid Summaries received from other Audit Offices are separately compiled in Form A. G. P. T.-426 and the figure entered in column 5 of these forms should be verified with the Remittance register (see Article 412).

**NOTE.**—The provisions of the Note to Article 461 apply here also.

463. Abstracts of mis-sorted money orders relating to the month of issue in hand sent to, and received from, other Audit Offices should be prepared from the advices of transfer (see Articles 422 and 423), writes-back and adjustments being duly noted

464. A statement of actual short-payments and over-payments on money orders as well as of mis-sorted money orders advised by Foreign Audit Offices is also prepared in Form A. G. P. T.-428 from the Issue lists for verification of the adjustments made on their account with the Objection Books or other registers through which they have been adjusted.

465. An abstract of adjustments on account of differences shown in forms A. G. P. T.-424, 425 and 426 and in the statement of actual short-payments or over-payments on individual money orders picked out from the Issue list should be prepared, and incorporated in a general statement of differences and adjustments which will be verified with the adjustments previously made by the several Audit groups. The figures in this statement should be entered in the Combined Transfer Ledger and Abstract and agreed with Detail Book Figures.

#### Money Order Ledger.

466. The Detail Book figures under the Inland money order head will be communicated by the Booking Section and after they have been verified and agreed with the several compilations and statements mentioned in Articles 447 (i), 448, 461 and 465, will be posted in a register for the purpose of consolidation of figures under "Inland money orders" for all the Postal Circles under the jurisdiction of the Audit Office. In this register separate pages will be allotted for each month of issue to record the transactions for the whole year.

467. A money order ledger for the Audit Office will be maintained in Form A. G. P. T.-429. The vertical columns in this ledger will represent the months of issue, and the horizontal lines, the months of account. There will also be a horizontal line to indicate the progressive total up to any month. The figures in this ledger will be posted from the register of consolidation of Inland money order figures referred to in Article 466. The progressive totals of debits and credits for the Inland Money Orders up to any month of adjustment will thus be readily transcribed into the extract of the Money Order ledger referred to in Article 468.

468. An extract from the Money Order Ledger for each official year is also prepared comparing the book balance under the Inland Money Order head at the end of any month of account with the register balance (Form A. G. P. T.-430) and forwarded to the Accountant General, Posts and Telegraphs, on the 12th of the fifth month following the month of issue. The extract sheet shows in column 1 the months of issue and in columns 4 and 5 total credits and debits which are posted from the Money Order Ledger referred to in Article 467. The balance is struck in column 6 and this is compared with the balance shown

in the broadsheet for the register of unpaid money orders for the whole Audit Office, *vide* Article 460, the latter being also entered in column 7. The difference between columns 6 and 7 which is termed "unexplained difference" is entered in column 8. The balance in column 6 should agree with the total of the entries in columns 7 and 8.

469. The extract contains two additional columns 5 and 6 which are not embodied in the Ledger. Column 5 shows the total amount of unpaid items for each month of issue that remains outstanding in the register of unpaid money orders and represents the liabilities of the Government in respect of money orders which are payable when claims arise. Theoretically, therefore, the book balance shown in column 4 should exactly equal the figure exhibited in column 5, but, as a matter of fact, this is never the case. Due to mistakes in the several stages of audit, etc., there is always some difference which is technically termed 'unexplained difference' and the figure shown in column 6 represents this unexplained difference. If the figure in column 5 is more than that in column 4 it means that the liability of the Department is more than what the accounts actually indicate. Every endeavour should in this case be made to reduce the amount of unpaid items by overhauling the adjustments made and tracing the charges of the unpaid money orders in the Paid lists. The latter method should invariably be adopted at least in respect of Telegraphic and other money orders for amounts exceeding Rs. 100. It is not uncommon that some money orders charged in the Paid list are lost or mislaid in the course of transmission and these are left unchecked in the Issue list. Another cause is that a wanting money order may have escaped the notice of the Paid list examiner and in this case also the money order goes unchecked. If charges are traced in the Paid list, the items should be adjusted in the register of unpaid money orders with a suitable note against them. The unexplained difference will consequently go down. The Accountant in charge of the Section should always be on the alert to see that the unexplained difference is not very high in any month and should take steps to keep down the difference to a minimum.

470. A general report not necessitating any account adjustment but giving the unexplained difference in the money order accounts and the amount credited to the head "Forfeited money orders" and a general scrutiny of the figures in comparison with the corresponding figures of previous years should be made to the Auditor General every year by the Accountant General.

#### Results of Audit.

471. The general rules and principles laid down in Chapter 20 of the Posts and Telegraphs Audit Code, Volume I, should be followed in raising, communicating and watching audit objections. The maintenance of a separate register in Form S. Y. 15 referred to in Article 472 of the Posts and Telegraphs Audit Code, Volume I, is however not necessary to watch

the return of Objection Statements relating to money order transactions as this should be done through the Objection Books. The more detailed procedure applicable in the case of money order objections is described in Articles 472 to 485.

#### Errors found in Audit.

**472.** The following errors are found in the course of audit of money orders:—

- (1) Erroneous payments (*i.e.*, short-payments or over-payments) on account of money orders, and short or excess credits on account of commission.
- (2) Differences between the summation of details and totals of the issue and the paid lists or summaries.
- (3) Differences between abstracts and summaries
- (4) Difference between total of list of summary and cash account figures.

**NOTE 1**—The term “over-payment” includes every payment which is in excess of the credit of value given in the Issue list. It includes therefore—

- (a) a payment in excess of the credit whether the credit is correct or erroneous,
- (b) a double payment (in this case the second payment should be shown as an error in accounting),
- (c) a payment, the corresponding credit for which is omitted from the Issue list through fraud or error.

**NOTE 2.**—The term “short-payment” includes every case in which the payment falls short of the credit in the Issue list

#### Intimation of errors.

**473.** Whenever any difference which falls under one of the classes referred to in Article 472 is discovered or whenever it is necessary to order the recovery or the refund of an erroneous payment, or to intimate short or excess credit on account of commission to the Postmaster, an objection statement in Form A. G. P. T.-431 will be prepared and issued in duplicate, particulars of the difference between summation of details and total of list and summary being noted, when necessary, in Form A. G. P. T.-432. The amounts of overpayments should be taken to the head “Advances Recoverable—Money Order overpayments” and the amounts of short payments, to the head “Deposits—Money Order short-payments”

**NOTE.**—In urgent cases or in cases of suspicious payments, telegraphic intimations are issued in advance of the objection statement prescribed in this Article.

**474.** Objection statements are sent out to enable the Postmaster to take prompt measures for the recovery of money overpaid (or overcollected) from the party concerned, or from the person at fault (as the case may require), or the refund of money short paid (or overcollected) to the person to whom it is due, or for the submission of any wanting voucher, etc., and it is most important that they should be issued without delay.

### Recoveries and refunds.

**475.** In issuing the objection statements, the Postmaster should be definitely instructed to show the receipts and charges (on account of recoveries and refunds) in the schedules of unclassified receipts and payments respectively. If any item of recovery or refund is shown in the list of money orders issued or paid, the money order auditor should cancel the entry in the money order list and alter the total of the summary, making an explanatory note at foot of the summary for the guidance of the auditor of the Postal Accounts Section, who should correct the cash account accordingly and enter the amount in the register of recoveries and refunds referred to in Article 492.

**476.** Each objection statement should be carefully scrutinized before it is issued. In the following cases, as also in other cases in which it may be thought necessary, copies of objection statements should be sent to the Heads of Circles or their special attention should be drawn to them:—

- (a) Overpayments exceeding Rs. 10 on account of money orders.
- (b) Short credits exceeding Rs. 10 on account of money orders.
- (c) Absence of credits for money orders.
- (d) Wrong totals of money order issue and paid lists when the difference exceeds Rs. 10.

**NOTE.**—All cases of double payments of money orders arising out of the issue of duplicate money orders or otherwise, or of overpayments on money orders, or of short credits in the total of money order issue lists or of excess charges in the total of paid lists involving Rs. 50 or more, should be investigated thoroughly by Audit, to see that adequate disciplinary action has been taken against the officials responsible for the irregularity and that there has been no attempt at fraud. Cases, in which there is indication of an attempt at fraud, should be fully investigated irrespective of the amount involved.

**477.** Items of objection on account of short credits or overpayments of sums exceeding two annas but not exceeding Re. 1 in respect of either value or commission should be waived when the correspondence thereon tends to become protracted, and the items do not indicate any wilful neglect of duty on the part of any Postal official and do not form one of a series pointing to systematic fraud. Items exceeding Re. 1 but not exceeding Rs. 5 may also be waived by the Deputy Accountant General, if after correspondence with the executive officers concerned, it is found that the recovery is practically impossible and that there is not sufficient reason to press for serious disciplinary action. The items waived should be entered in a register (Form S. Y.-265) and the amounts should be totalled and adjusted monthly by transfer entry. The entries in the register should be attested by the Accountant in charge of the section and reviewed by the Gazetted Officer monthly. Excess credits in value or commission or short payments on money orders of sums exceeding two annas may be adjusted under the orders of the Gazetted Officer to the revenue head "Fees and other receipts",

if it is found, after correspondence, that the Postmaster could not effect payment of the sum to the party concerned. There is no bar to payment of the amount when claimed subsequently

478. The difference between the figures of the summary of money orders and the cash account will not be known to the Money Order Section until the summary is returned by the auditor of the Postal Accounts Section, who will note on it, in red ink, the difference (if any) between the total of the summary and the credit or debit in the cash account (*vide* Articles 398 and 411). The Money Order Section will take this difference against the manuscript heading "Errors in accounting" to be introduced in the summary to make the summary agree with the cash account. The adjustment of the difference taken against "Errors in accounting" will rest with the Money Order Section, which should take it to "Advances Recoverable—money order overpayments" or "Deposits—money order short payments", and take steps to have the amount recovered or refunded, as the case may require.

NOTE.—Difference on a particular Summary of sums not exceeding 2 annas will be adjusted in the manner indicated in Article 434

### Objection Book.

479. The Objection Book will be maintained in Form No. A. G. P. T.-433 separately for dealing with the issues of different months and each Circle should have its own set of books. As each head office objection statement for a period is ready for despatch, it will be copied into the Objection Book. When all the objection statements of a Circle have been so copied, the Objection Book will be closed by pasting a closing Entry Slip (Form No. A. G. P. T.-435) at the bottom of the last page for the month.

NOTE 1.—In offices where the number of items under objection is not large, the Deputy Accountant General may, if he finds it more convenient, authorise the maintenance of only one book in form A. G. P. T.-433 with a separate column in manuscript for the entry of the month of issue in respect of each item of objection.

NOTE 2.—As from July onwards, the year of issue and not the month of issue is the account unit for Money Order issues of the previous financial year, a separate Objection Book will be maintained in the Money Order Section in respect of objections relating to the issues of the previous year. After the monthly Objection Book for June is closed, unadjusted items of the previous year will be copied into the yearly Objection Book referred to above and adjustments in respect of those items recorded therein.

480. To close Money Order Objection Books, two transfer entries must be prepared for each Circle, in respect of the monthly totals of the first two money columns, clearing the head "Inland Money Orders—Issues of (month)" by debit and credit, respectively, to the heads "Advances Recoverable—Money Order over-payments", and "Deposits—Money Order short-payments".

481. Except in the case of adjustment of amounts shown as "errors in accounting" in the Summaries of money orders issued (*vide* Article 478), all

adjustments which affect the head "Inland Money Orders" must, as a general rule, be made by an addition to, or deduction from, the head on the payment side.

NOTE.—When it is discovered that the Postmaster's credit on account of the value and commission of Value Payable or other money orders is short or excess under one head, and *vice versa* under the other, the adjustment of this mistake should be made in the same manner as in the case of the exception referred to in this Article.

#### Adjustment Register.

482. An adjustment register will be maintained in Form A. G. P. T.-434.

The total of the money columns of each month's adjustment register will be deducted from the total balance of the amounts under objection. It is therefore necessary that the adjustment register should be closed simultaneously with the Objection Book.

483. An abstract of objections will be kept in Form No. A. T. C.-81.

A general abstract of all Objection Books should be prepared in order to bring together the total amount under—

- (1) Objected to during the month.
- (2) Adjusted during the month.
- (3) Balance under objection.

#### Broadsheet of Balances.

484. A broadsheet of the debits and credits to "Advances Recoverable—money order overpayments" and of "Deposits—money order short payments"—will be maintained in Forms Nos. A. T. C.-80 and A. T. C.-64, respectively, as laid down in Articles 483 and 289 of the Posts and Telegraphs Audit Code, Volume I.

485. *Deleted.*

#### Appropriation Accounts and Report.

486. Detailed instructions on this subject will be found in Chapter 22 of the Posts and Telegraphs Audit Code, Volume I. All cases of money order frauds and embezzlements, wrong payments and double payments involving Rs. 100 and above, etc., will be included in the register referred to in Article 509 *ibid.*

487. *Nil.*

#### Cash Account entries and Audit Objections.

488. The Cash Account of each Head Post Office shows the following entries on account of money orders, *viz.*, under Receipts (1) "Money Orders issued", (2) "Commission on money orders", and under Payments, (3) "Money Orders paid". The figures for money orders paid will also be distributed and exhibited



in the inner column separately for the three months of issue, *i.e.*, for the previous month, the current month and the following month. All items will be posted against the corresponding heads in the Classified Abstract (but see Article 489)

NOTE—The commission on Field Service money orders is not included in the credit in the Cash Account, but is adjusted in the Audit Office, *vide* Article 396.

489. As the amount appearing in the Cash account against “Money Orders paid” includes payments on account of issues of Foreign Audit Circles, an adjustment will be necessary to separate (i) the payments on account of Home Circle issues from (ii) payments on account of issues of each Foreign Audit Circle, the figures being taken from the Register mentioned in Article 412. The adjustment will be made in the Money Order Section monthly by a transfer entry in the following form for each Postal Circle :—

Dr.

Money Order Remittances,

Transfer to . . . . . Audit Office.

Transfer to . . . . . Audit Office.

To

Inland Money Orders

Cr.

(Deduct from debit).

490. The amounts of the Foreign summaries received from other Audit Offices will be adjusted monthly in the Detail Book of the principal Postal Circle in the receiving Audit Office, by the following transfer entry, the figures being obtained from the register mentioned in Article 412.

Dr.

Inland Money Orders.

To

Money Order Remittances

Cr.

Transfer to . . . . . Audit Office.

Transfer to . . . . . Audit Office.

• 491. Besides the entries in the body of the cash account referred to in Article 488, there may be sundry entries under unclassified receipts or unclassified payments in rectification of over-payments or short-payments of money

orders, and the auditor of the Postal Accounts Section will carefully examine the schedules with a view to tracing out such credits or debits and deal with them under the following rules --

- (a) Recoveries of over-payments should be credited to " Advances Recoverable—Money Order over-payments ".
- (b) Charges on account of short-payments should be debited to " Deposits—Money Order short-payments ".
- (c) Charges on account of void orders should be debited to the " Inland Money Order " head
- (d) Adjustments on account of short and excess credits of commission should be credited to " Commission on Money Orders ", and debited to " Refunds—Money Order Commission " respectively.

492. The auditor of the Postal Accounts Section will classify the entries referred to in Article 491 on the assumption that they adjust outstandings under the heads named, and furnish the Money Order Section with full details of items (a), (b) and (d) in a register in Form A. G. P. T.-436. The register should be sent to the Money Order Section twice a month, after the receipt of the accounts for each period. The Money Order Section will adjust the items in the respective objection books. In case any of the items of credits and debits referred to in clauses (a) and (b) of Article 491 appearing in the accounts of one circle are adjustable in the objection book of another circle, inter-circle adjustments through the head " Posts and Telegraphs Remittances—same Audit Office " should be made monthly for each circle to clear off the excess credits or debits in the accounts of one circle with reference to the corresponding difference in the other. These adjustments should be carried out simultaneously in both the circles concerned.

The items relating to Foreign Audit Offices should be classified as " Money Order Remittances " by the auditor of the Postal Accounts Section who will send a statement of recoveries and refunds (Form A. G. P. T.-437) to the Foreign Audit Office through the Money Order Section. This statement should go out by the 13th of the month following the month of account.

493. The Money Order Section will take prompt measures to note the adjustments referred to in Articles 491 and 492 against the corresponding items in the Objection Books. If no such items exist, a provisional adjustment will be made to clear the outstandings by credit or debit to " Fees and other receipts—other items " under Abstract B—Miscellaneous Revenue. The items will not, however, be allowed to rest finally under this head. The reason for each credit or charge should be ascertained by a reference to the money order concerned. If the money order referred to does not disclose any discrepancy, the Postmaster should be addressed as to the cause of recovery or payment. If correct particulars of the money order are furnished, and the money order shows a discrepancy, a ' not to issue ' objection statement will

be prepared and the head " Fees and other Receipts—other items " will be cleared by transfer of the credit or debit to the proper head. If the paid money order has not come under audit, a note will be made in the Issue list with instructions to the debit-checker to prepare a ' not to issue ' objection statement for the amount of the money order when debit-checked. If, on the other hand, the paid money order does not reveal any difference, and the correspondence with the Postmaster becomes protracted without any result, the amount may rest finally under the head " Fees and other receipts ". In the case of charges, however, the items may be waived up to the limit of Rs. 5 provided that the conditions specified in Article 477 are satisfied. If the amount exceeds Rs 5, the case should be reported to the Accountant General, Posts and Telegraphs, if it cannot be settled with executive officers. No action need be taken for sums of two annas and less, which may be allowed to remain finally under the revenue head. A note should, however, be made in the Register of amounts waived (Form No. S. Y.-265) in the column provided for the purpose, of recovery of items, however small, which were already waived. Suitable notes of action taken in respect of provisionally adjusted items and of the final adjustment of these items should be recorded in the register of refunds and recoveries for the month against the items concerned. A summary detailing the adjustment of the total figure in the register of refunds and recoveries under each head of account will also be given at foot of the register below the last entries

NOTE.—Outstanding items of recoveries and refunds under the head ' Money Order Commission ' in the register of refunds and recoveries, are allowed to remain under that head and are not transferred to the head " Fees and other receipts—other items " under Abstract B, Miscellaneous Revenue. In the case of outstanding items of recoveries the items will be finally admitted without any investigation. As regards outstanding items of refunds of money order commission no action need be taken for sums of two annas and less. Each item exceeding annas two should be fully investigated. The final clearance of the items of refunds should be watched through the Broadsheet mentioned in Article 494. In every case a note of refund should be kept in the Issue List in the proper place to guard against double payment

494. To enable the Accountant and the Gazetted Officer to see whether all the items in the refund and recovery register which were provisionally adjusted to " Fees and Other Receipts " in a month have subsequently been finally adjusted to the proper heads, a broadsheet in the Form of abstract of objections (A. T. C.-81) should be maintained in the Objection Book group showing the amount provisionally adjusted in a month and the subsequent final adjustments in different months against it. The Broadsheet and the Refund and recovery Register should be submitted to the Gazetted Officer for review monthly on the due dates prescribed in Appendix B.

NOTE.—If, however, it is found that any of the items represents a recovery of an over-payment or refund of a short charge on a money order issued by a Postal Circle under another Audit Office, the item will be transferred to that office by a transfer entry. An intimation of the adjustment should, at the same time, be sent to the other Audit Office which will bring the item on to its books by a responding entry.

495. A separate sub-schedule of void money orders paid is received in the Money Order Section, Miscellaneous group. The amounts are classified in that group and communicated to the Postal Accounts Section for incorporation in the Classified Abstract. *vide* Article 447.

### Reconciliation of Transfers.

**496.** A statement of remittances made to Foreign Audit Offices (Form A. G. P. T.-438) should be prepared in duplicate by carbonic process at the end of each month, from the registers mentioned in this chapter and from the counterfoils of advices of transfer, and after the total of each Circle brought out therein has been checked with the total of the respective Detail Book, the statement should be forwarded to the Foreign Audit Office concerned. The latter will return one copy of the statement, after noting on it the month of adjustment by reference to its registers and files of advices received, and retain the other copy in which the total amount adjusted in that month on account of advices received from the remitting Audit Office in that month or in a previous month and other sources will be worked out for agreement with the Detail Book.

**497.** The copy of the statement of remittances referred to in Article 496 returned to the remitting Audit Office will be treated as a register of remittances made to Foreign Audit Offices and pasted in a guard-file. The copy retained by the receiving office will be treated as register of remittances received, and filed similarly

**498.** The registers of remittances referred to in Article 497 should show no outstanding at the close of a year after the final accounts for that year have been prepared ; but should there be any, full details thereof should be communicated to the Central Office in the prescribed form (A. G. P. T. No.-563).

**499.** In order to exercise a careful watch over the outstandings at the close of a year a broadsheet in Form No. A. T. C.-81 should be kept showing the amounts debited each month by each Foreign Audit Office as ascertained from the remittance statement of that office. The credits afforded each month in the Home Audit Office will be posted against the corresponding debits. The broadsheet will thus show at any time the unadjusted debits for each month and prompt action should be taken to adjust the outstanding debits before the close of the year.

**500.** Care should be taken to see that after the close of March Final accounts debits are not ordinarily raised against an Audit Office under the head " Money Order Remittances ". The advices of transfer debits (as also the statement of recoveries and refunds) should reach the other Audit Office in such time as to enable it to respond in the March Final accounts. The statement of remittances for March Final should be despatched so as to reach the Foreign Audit Office, by the 20th July.

**501.** It should be distinctly understood that an advice of transfer should invariably be responded to in *full* by the receiving office. If the whole amount of the advice, or any part of it, cannot be accepted, the rejected amount should be written back by a *separate* advice of transfer in which full particulars of the item rejected and the original advice in which it was included, should be given.

**502.** Statements of money order recoveries and refunds received from the Foreign Audit Offices should also be adjusted in full in one month. If any items shown therein are not traceable in the Objection Books, the amounts will be provisionally adjusted to " Fees and Other Receipts " by clearing the remittance head and action taken for their final clearance as in the case of such items appearing in the register of refunds and recoveries, *vide* Article 493.

#### Statistics.

**503.** A register (Form A. G. P. T.-402) will be maintained for each Postal Circle showing in respect of each Head Post Office in the Circle the gross number, value and commission of Inland money orders issued and the gross number and value of Inland money orders paid during each month of the year, as also the number, value and commission of telegraphic money orders issued and the number and value of telegraphic money orders paid. The figures should be posted monthly and the monthly totals will be transcribed into the abstract page at the end of the register. The register will be submitted to the Gazetted Officer for review every month. At the end of the year the register will be totalled and a statement prepared therefrom and sent to the Central Office by the 10th July, together with the statistics of Foreign money orders referred to in Article 583. Separate statements in Forms Nos. A. G. P. T.-439 and 439-A will also be sent to the Central Office at the close of the year for the purpose of verification of the amounts of money orders issued and paid in each Circle with the General Books.

Forms A. G. P. T.-439 and 439-A will also be posted monthly and submitted to the Gazetted Officer for review.

**504.** *Nil.*

#### Money Orders sent out.

**505.** Letters or telegrams of enquiry regarding disposal of money orders and requisitions for paid money orders are dealt with in a separate group called the " Money order sent out " group. They should be indexed in a separate register (Form A. G. P. T.-440) and disposed of with great promptitude.

**NOTE.**—Paid money orders may be forwarded to Head Postmasters, Sub-postmasters in the Selection Grade, Inspectors and Superintendents of Post Offices and higher authorities of the Department, if they so desire. Unpaid void money orders should not, however, be forwarded to Inspectors and Postmasters subordinate to Superintendents. In making requisitions for void money orders, the Superintendent or first class Postmasters should state the circumstances in which they are required. (See Rule 220 of the Posts and Telegraphs Manual, Volume V, and Article 77 of the Posts and Telegraphs Initial Account Code, Volume I.)

**506.** For each money order referred to in the letter or requisition, a check slip in printed Form No. A. G. P. T.-403 will be prepared showing the particulars of the money order as well as the number and date of the reference.

**507.** If the money order relates to a period for which the records have already been destroyed, a reference should be made to the Void List or the register

of unpaid items to ascertain the fate of the money order. If it is not traceable in any of the registers, the presumption is that the money order has been paid within currency and destroyed after the ordinary period of preservation. The fact as ascertained should be intimated in reply in printed Form No. A. G. P. T.-441

**508.** If the issue list which appertains to the money order has not been destroyed, the list will be referred to and if the money order is found debit-checked therein, the check slip should be placed in the bundle concerned in lieu of the money order and the money order removed, a note being made in the issue list of the number and date of reference. The auditor will then intimate the disposal of the money order, filing the money order with the case, or send the money order in a registered cover with a forwarding letter in printed Form No. A. G. P. T.-441, as the case may be.

**509.** If the issue list shows that the money order has been checked in red pencil, indicating that it has been received as void, the unpaid void money order should not be removed from the bundle of void orders. The fact that it has been received as void with the void list may be intimated. If the void money order is, however, required for purposes of enquiry, it may be sent with instructions that it should not be paid before it is formally re-issued by the Audit Office. A check slip should be placed in lieu of the money order in the bundle of unpaid void money orders.

**510.** If the money order remains unchecked in the issue list and the money orders relating to the issues of the month concerned have not been completely debit-checked, no definite information regarding the disposal of the money order can, at this stage be furnished. A reply should in this case be sent in printed Form No. A G P T-441 stating that the money order has not come under audit. No subsequent communication on the subject should be promised in the reply and the case treated as closed for the time being.

NOTE.—If, however, with the particulars supplied in the requisition, the Money Orders can be traced even before debit checking it should be so traced and the procedure outlined in Article 508 generally followed.

**511** No information as to the disposal of a money order should ordinarily be furnished to a member of the public, even if he be the remitter or the payee. Letters of enquiry, when received, will be returned to the party with the request that he may address the Postmaster or the Supervising Postal Officer concerned. Complaints regarding non-payment of money orders received direct in the Audit Office should also be similarly disposed of. Requisitions for paid money orders received from officers other than Departmental Postal officers, and Judicial and Police officers, should not be complied with. Those officers should be asked to address the Head of the Circle concerned.

NOTE 1.—Money orders sent out to Departmental Officers will not be received back, but will be recorded by them with the cases concerned. Money Orders forwarded to Judicial or Police officers should, however, be called back and recorded in the Audit Office along with the cases pertaining to them.

NOTE 2 —The "Money-order sent out" Register (Form No. A G. P. T.-440) will be treated as the despatch register also for the cases dealt with in the "money order sent out" group. The despatch number will be the index number with the letter (a) added to it. The distinctive mark 'M O S' may form the numerator and the despatch number the denominator. The note of disposal will be made in the register against the index number concerned in the column provided for the purpose. Telegrams will be entered in red ink.

### Progress Reports.

512. Each sub-auditor and machine operator employed in any of the groups of the Money Order Section except Void and other groups for which daily rates of out-turn cannot be enforced should maintain a progress report in the prescribed form (Form A. G. P. T.-415 or 442) and fill up the out-turn for each day and make it over to the Auditor or the supervisor concerned on the morning of the following day. Particulars of the lists and other items of work done should be mentioned in the report.

513. The daily rates for the different kinds of work in the Money Order Section are prescribed from time to time by the Accountant General, Posts and Telegraphs.

NOTE 1.—In the case of groups for which daily rates of outturn are not prescribed, the due dates fixed for the submission of various documents and for audit should be strictly observed.

NOTE 2 —Any shortage in outturn should be made up on the following day or before the audit for the period is completed.

NOTE 3 —So long as the work is current, the prescribed rates should be maintained. When the work is in arrears, the Deputy Accountant General may enhance the rates up to 10 per cent. at his discretion. Except in individual cases, no reduction of the rates is permissible.

NOTE 4 —A consolidated register showing the receipt and disposal and the earliest date of letters in each group of the Money Order Section should be prepared by the Senior Accountant and weekly to the Gazetted Officer in charge.

514. The Auditors or the Supervisors in charge of the groups should check these reports and each of them should submit a consolidated report showing the names of persons and the work turned out by each on each day to the Accountant, who after proper scrutiny will send on the consolidated reports to the Senior Accountant in charge of the Money Order Section. The latter should check them and submit them to the Gazetted Officer every Wednesday for review. The consolidated report gives an idea of how the work in each group stands and whether the work will be completed within the prescribed period. It is the duty of the Senior Accountant in charge of the section to see that the work in any group does not fall into arrears and he should, therefore, keep an eye on the due date fixed for each kind of work and so arrange the staff as to complete the work in all stages on the due dates. If the work is not finished by the due dates, the matter should be brought to the notice of the Gazetted Officer for increase in the daily rate of outturn or transfer of men from other sections, or grant of overtime allowances if admissible.

515. The auditors in charge of Paid list and Issue list groups should, after completion of the examination of the lists for a period, compile the total daily outturn of the sub-auditors who checked the lists for the period and agree the

total outturn for the period with the number of money orders entered in the Paid List group broadsheets and that obtained from the Issue abstracts to see that the outturn has been correctly shown by the sub-auditors and transcribed into the consolidated report. An agreement of the outturn given by the machine operators with the total of the abstracts should also be made by the Supervisor of the Comptroller group or by the Auditor in charge of Paid list and Issue list groups as ordered by the Deputy Accountant General, in the agreement memorandum of the respective groups. This agreement memorandum should be submitted to the Senior Accountant in charge through the Accountant of the group concerned, who should verify the figures. Any difference indicates unreliability of the reports submitted by the sub-auditors and any one found guilty of wilful submission of false reports should be reported to the Gazetted Officer for disciplinary action.

**516.** Each auditor in charge of a group who is required to conduct a daily review should keep a Diary in Form No. A. G. P. T-444 for this purpose. The diary should be submitted to the Senior Accountant daily and to the Gazetted Officer in charge every Wednesday.

**517.** The auditor in charge of a check group should review at least 5 sheets of Head and Sub-Office lists daily, noting in his Diary the name of the sub-auditor and the names of the offices the sheets of which have been examined and the period of account. He should sign the sheets examined by him.

**518.** The Accountant in charge of the check groups of the Money Order Section should also maintain a Diary in Form A. G. P. T-444 showing the review done by him of the different kinds of work turned out by the men under his charge. He should check at least 3 sheets of Head and Sub-Office lists daily so that each man's work may come under his scrutiny by rotation. His review should not be confined merely to checking the work of the groups under his charge. A review of the work of the miscellaneous group, viz., Void, Ledger, Remittance, Objection Book, etc., should also be occasionally exercised by him. Any carelessness or irregularities noticed will be written up in the diary which will be submitted to the Senior Accountant daily and to the Gazetted Officer in charge, every Wednesday.

A general Error Book will be maintained in manuscript by the Senior Accountant who should note therein all mistakes committed by officials other than those for whom separate Error Books are maintained (see Articles 393, 408-E. and 429-A). The Error Book should be submitted to the Head of the Office through the Gazetted Officer-in-charge on the 7th of every month.

**NOTE**—A systematic test check at the rate of 5 per cent. should be conducted on the list of unchecked items by the auditors of the miscellaneous groups. A review of the conversion of sterling values of Foreign Money Order at the rate of 20 items a day should also be conducted in the Foreign Money Order Section. The Auditor, Foreign Money Order Group, should do, alternately, the test check and the review work mentioned here.



## SECTION II.—FOREIGN MONEY ORDERS.

### Introductory.

519. "Foreign Money Orders" are money orders which originate in or are ultimately paid by the Postal Administration of a Country, State or Colony outside the jurisdiction of the Indian Posts and Telegraphs Department. Articles 520 to 589 prescribe the procedure to be followed in the auditing and accounting of these transactions.

The term "Outward money orders" refers to money orders which originate at an Indian Post Office and are sent outside the jurisdiction of the Indian Post Office for payment, while the term "Inward money orders" refers to money orders which originate outside the jurisdiction of the Indian Post Office and come into it for payment or for onward transmission to another Country, State or Colony.

NOTE 1.—For definitions of the terms "Foreign sterling money orders" and "Foreign rupee money orders", see Rule 311 of the Posts and Telegraphs Manual, Volume VI.

NOTE 2.—The names of the foreign countries or colonies with which India exchanges money orders, and the names of the Indian offices of exchange for those countries and colonies, will be found in the Foreign Post Directory of the Post and Telegraph Guide.

### I.—Outward Sterling Orders.

#### Account arrangements.

520. Outward sterling money orders are not accounted for in separate issue lists but are included in the ordinary lists of money orders issued, the entries being distinguished by the letter "S" prefixed to the number. So far as the audit of these entries in the issue lists is concerned, no special procedure is necessary. The money orders being payable out of India, the offices of exchange merely submit periodical lists of the money orders advised to foreign countries accompanied by the money orders which are regarded as paid.

#### Examination of Exchange Office Outward lists.

521. Each office of exchange submits to the several Audit Offices lists of money orders advised by each mail to each foreign country on account of issues by Post Offices within their respective Circles of audit. These lists in Form No. F. M. O.-2 which are termed "Exchange Office Outward Lists", show—

- (a) the number of the money order,
- (b) the date of the money order,
- (c) the head or sub office of issue,
- (d) the sterling value of the money order,
- (e) its equivalent in Rupees converted at the rate prevalent on the date of issue of the money order, and
- (f) commission on the money order.

All these particulars should be verified by the sub-auditor with reference to the money orders accompanying the list, and the initial letters of the Postal Circles as given below should be noted against the entries in the list in order to facilitate the compilation of statistics for statement I prescribed in Article 583. In the case of 'through' money orders, the letter 'F' will be noted against the entry.

<i>Circle.</i>	<i>Initial letter.</i>
Bengal and Assam Circle .. .. .	C.
Bihar and Orissa Circle .. .	O
Bombay Circle .. .. .	B
Burma Circle .. .. .	R.
Central Circle .. .. .	N.
Madras Circle . . . . .	M
Punjab and North-West Frontier Circle .. .. .	L.
United Provinces Circle . . . . .	A.
Sind and Baluchistan Circle . . . . .	S.

523. The sub-auditor will also see—

- (a) that commission on each order has been correctly noted in the outward list ;
- (b) that the rupee equivalent of each sterling money order shown in the list is correct with reference to the rate of conversion in force on the date of issue of the money order, as intimated by the Director-General Posts and Telegraphs, from time to time. Any discrepancy in rupee equivalents will be entered in red ink as a *plus* or *minus* entry below the Postmaster's entry of amount in the rupee column and the totals corrected accordingly ; the correct rupee equivalent should also be noted on the money order under the dated initials of the examiner for further action by the debit-checker.
- (c) that the money orders relating to issues of different months are correctly charged in the respective outward lists.

NOTE.—If he detects any mistakes, he must strike out the entry of the money order from the outward list in which it was wrongly charged, and make a fresh entry for the same in the proper list (if received) or in a separate portion of the same list, under a distinct heading in red ink. He will correct the totals of the lists accordingly and embody the corrections in the consolidated totals given at the foot of the outward list ;

- (d) that in the case of a wanting money order, the action prescribed in item (v) of Article 408-B ;
- (e) that postage stamps of the value of three annas on account of fee for obtaining " advice of payment " have been affixed to the outward

foreign sterling money orders (payable in the countries from which advices of payment are obtainable, *vide* Note 3 to Rule 6, Appendix B to the Posts and Telegraphs Manual, Volume VI), on which the words "Advice of payment" have been written in red ink

NOTE 1.—Foreign outward sterling money orders are issued by offices of exchange in lieu of telegraphic foreign money orders and against the entries of such money orders in the outward lists no commission will be noted

NOTE 2.—In the case of telegraphic money orders, the requisition should be examined to see if stamps on account of fee for "advice of payment" have been affixed to it.

NOTE 3.—The instructions in clause (e) will not be applicable in the case of through money orders, as the postage stamps realised will be affixed to the money orders in the country of origin

**523.** When the examination of an exchange office outward list received in an Audit Office has been completed, the sub-auditor will verify the totals of the number and amount of the money orders (both sterling and rupee columns) and of the commission entered therein. Any discrepancy in the totals of the sterling value should be intimated to the office of exchange for subsequent adjustment. If the Audit Office is not the *principal* office of exchange, it will intimate the figures to the latter in Form A. G. P. T.-445. This intimation will be prepared in duplicate by carbon process, the pencil copy being retained as office copy and the carbonised copy sent to the Audit Office concerned. The total of each week for each country of exchange will be posted in a register (Form A. G. P. T.-446) in which separate pages will be allotted for each Audit Office. The issues of the current month should be entered in black ink while those of the previous months should be entered in red ink. At the end of the month the register will be totalled, and the grand total of the rupee amount, shown in the register, will be adjusted by the following transfer entry to be made in the accounts of the principal Postal Circle under the audit of the Audit Office:—

Dr.

Inland money orders (month of issue).

To Money Order Remittances.

Cr.

Transfers—Audit Office	..	..	..	..
Do. do.	..	..	..	..
Do. do.	..	..	..	..

Total ..

\* **524.** In the Audit Office of the *principal* office of exchange, after the consolidated totals shown at foot of the outward lists received by it have been proved with the figures furnished by the other Audit Offices, the figures for each Audit

**526.** (a) On receipt of the list of repaid orders (*vide* Rule 322 of the Posts and Telegraphs Manual, Volume VI) in the Money Order Section, the totals will be checked and the number and date of each list of the foreign country authorising the repayment together with the amount of that list will be recorded in a register in Form No. A. G. P. T.-447, separate pages being allotted for

each foreign country. The total amount of the repaid orders in a month will then be struck and adjusted in the accounts of the month to which the repaid lists relate, by a transfer entry, thus.—

Dr.

Rs. 10,000

Foreign money orders (United Kingdom).

15,000

Do. (Goa).

Cr.

Inland money orders June 1927 Rs. 25,000.

(b) The paid orders will be sorted in the usual way and debit-checked in the repaid order list

(c) On receipt of the exchange account, the entry in the register referred to in clause (a) will be compared with the amount shown to the credit of India in the list of repaid and void orders attached to the exchange account, and a note made in the register showing against the item the month of exchange account in which the item is accounted for. Any discrepancy or any undue delay in claiming credit in the exchange account will be noticed and settled in communication with the Postmaster of the *principal* office of exchange.

527. In the case of repayment to a remitter of a "through" money order, the procedure prescribed in Article 526 is not followed, but the value of the money order is credited to the country of issue by debit to the country of payment through the respective exchange accounts. If the exchange accounts with both the countries are submitted to the same Audit Office, the credit in the one and the charge in the other will be adjusted by a single transfer entry on receipt of the two accounts; but when the exchange accounts are submitted to two different Audit Offices, the procedure to be observed will be as exemplified below:—

A money order issued in England for payment in the Malaya is to be repaid to the remitter. The amount is debited (*i.e.*, shown to the credit of India) in the Calcutta G. P. O. exchange account with Malaya and credited (*i.e.*, shown to the credit of England) in the Bombay exchange account with Great Britain and Northern Ireland. The debit and credit will be adjusted by transfer entries thus—

*In the Calcutta Audit Office.*

Dr.

Foreign Money Orders.

Malaya

To

Money Order Remittances from Nagpur Audit Office

Cr.

*In the Nagpur Audit Office.*

Dr.

Money Order Remittances to Calcutta Audit Office.

To

Foreign Money Orders.

(Great Britain and Northern Ireland) . . . . . Cr.

An advice of the adjustment (Form No. A. C. G.-77) made in the Nagpur Audit Office should be sent to the Calcutta Audit Office.

528. In the case of an outward sterling money order intercepted by the remitter before it has been advised to the country of payment, the actual sum in rupee currency, and not the commission realised from the remitter, should be refunded to him. The amount will be charged in the list of money orders paid, supported by the money order which will be debit-checked in the usual way.

529. Nil

**II. --Inward Sterling Orders.****Explanation.**

530. In the case of inward sterling money orders, the Indian office of exchange represents the office of issue. It receives periodically a list of money orders advised by the foreign country, converts the sterling amount of each money order into rupee currency at the rate in force on the date of advice of the money order by the foreign country (as intimated by the Director General, Posts and Telegraphs, from time to time), and prepares corresponding money orders in a special form prescribed for inward sterling orders, which are in the ordinary course forwarded to the office of payment.

*Exception*—The amounts of money orders advised by the Union of South Africa are expressed in British currency and should be converted into the rupee currency at the rate of exchange prevailing on the date of receipt of the inward list.

531. Money orders advised by Great Britain and Northern Ireland form an exception to the procedure prescribed in Article 530 in that the conversion for such money orders is made by the London Post Office to the nearest anna at a rate fixed by the Postmaster which is duly noted on the advice lists and the rupee equivalents are communicated in the lists advised by him. The money orders are issued for these amounts by the offices of exchange.

*NOTE*.—The rate of exchange is also noted at the top of each list by the office of exchange.

**Audit of Exchange Office Inward Lists.**

532. A periodical list in Form No. F. M. O.-3 of inward sterling money orders issued is submitted by the office of exchange to the Home Audit Office with the following particulars.—

- (a) the number of the money order ;
- (b) the date of the money order ,

- (c) the head or sub office of payment ;
- (d) the sterling value of the money order ,
- (e) the rupee equivalent ; and
- (f) the commission on " through money orders ".

In this list, there is also a column for noting, in the Audit Office, the initial letter of the Postal Circle of payment, *vide* Article 521.

533. The list of inward sterling money orders issued is divided into sections corresponding to drawings by the different foreign countries and headed with the numbers and dates of the respective inward lists received from those countries. These lists are audited as follows :—

- (i) The sequence of numbers is examined.
- (ii) The conversion of the sterling amount into rupee equivalent is verified item by item, any wrong calculation being corrected in red ink and the total altered accordingly under the initials of the auditor. The error should be pointed out to the office of exchange.
- (iii) The commission on through money orders is checked with reference to the rates given in Appendix C to the Posts and Telegraphs Manual, Volume VI.
- (iv) The totals are checked (any corrections that may be found necessary being made and intimated to the office of exchange) , and
- (v) The figures are finally posted, week by week, for each inward list in a register in Form A. G. P. T.-447 for the purpose of monthly adjustment by a transfer entry, thus :—

Dr.

Foreign money orders (country of exchange).

(rupee equivalent).

To

Cr.

Inland money orders (month of issue)

.. ..

Commission on money orders—

(*through* money orders).

. . . .

N.B.—The figures for the lists bearing dates of the previous months are posted separately and in red ink.

- (vi) The initial letters of the Circles of payment are entered in the column provided for the purpose. In the case of " through " money orders the letter F will be assigned.

The examination of the lists should be completed within one week of their receipt, and then made over to the checker for debit-checking.

NOTE.—The transfer entries should be made in the accounts of the month following the month to which the lists relate

**534.** If the office of exchange from which the inward list has been received is not the *principal* office of exchange, and the latter is situated within the area of another Audit Office, the debit in the transfer entry referred to in Article 533 will be taken to the "Remittance" head and an advice of transfer issued to the other Audit Office concerned detailing the total number, amount, and commission on through money orders entered in the list, with particulars of the period thereof, for the purpose of raising the debit in the list, under the head "Foreign money orders (country of exchange)" by credit to the head "Remittance". The figures thus communicated to the Audit Office of the *principal* office of exchange should be entered in the register of inward orders maintained by that office (separately for each country and office of exchange) below the figures of the offices of exchange under its own Circle of audit, while in the remitting Audit Office they should be posted in a separate part of the register of inward orders.

N.B.—In the advices of transfer the details of the lists bearing date of " . . . " should be entered in red ink for necessary action being taken by the receiving . . .

#### **Audit and check of payments.**

**535.** The inward sterling money orders, when paid, are included in the ordinary lists of money orders paid, and are distinguished by the letter S placed before their numbers. They are sorted as ordinary money orders and dealt with by the checker in the ordinary manner, *see* Articles 425 to 434.

#### **Repayments to remitters and void orders.**

**536.** Inward money orders repaid to their remitters during currency will be received with forwarding letters from the office of exchange in which the repayments are intimated. Suitable notes will be made in the Inward lists and the money orders entered in a register in Form A. G. P. T.-450. Their adjustment in the money order exchange accounts should be watched through the same register (A. G. P. T.-450), all correspondence in connection with such repayments being treated as closed. The register should be reviewed monthly by the Senior Accountant and quarterly by the Gazetted Officer in charge.

**537** If an inward sterling money order is not paid within the period of currency, it is accounted for as void. Should its repayment be applied for by the office of exchange on behalf of the remitter, it will, after note in the void list, be duly authorised by the Audit Office concerned, which will, on receipt from the office of exchange of the intimation of the advice of repayment to the foreign country, enter the money order in the register in Form No A. G. P. T.-450 or communicate it to the Audit Office of the *principal* office of exchange,



as the case may be, see Article 540. If, however, no application for the repayment is received, the void orders will be communicated by the Audit Office in Form A. G. P. T.-451 or in Form A. G. P. T.-453, as the case may be, to the office of exchange on the expiry of six months from the date of receipt in India, to be written back to the credit of the foreign country of issue in the next exchange account, where the repayments to remitters will also appear, *see* Article 560

The above procedure should not, however, be followed in the case of void inward value-payable money orders issued from Ceylon, Portuguese India, Somaliland Protectorate, etc. The value of such orders should be transferred to the head "Forfeited money orders" in the manner indicated in Article 451.

**538.** In the case of Iraq, all inward orders not paid in India should be placed to the credit of that Administration direct and shown in the exchange account as repaid orders. Lists of repayments are sent to the Audit Office by the office of exchange along with the money orders for which repayments are sanctioned. On receipt of the lists, suitable notes are made in the Inward list, or the register of unpaid money orders. The totals of the lists are then entered in the register of repayments (Form A. G. P. T.-450) and the lists are kept on record. On receipt of exchange accounts, these lists are referred to for the particulars of the money orders shown therein and the amounts adjusted.

**539** The details of inward money orders readvised for repayment to a foreign country are entered in the Repaid Register (Form No. A. G. P. T.-450) on receipt of information from Foreign Audit Offices or the *principal* office of exchange.

**540** The authorisation for repayment to remitters of inward orders and the communications of void inward orders as prescribed in Articles 536 to 539, if addressed to an office of exchange other than the *principal* office of exchange, and in case the latter be within the audit area of another Audit Office, should also be advised in Forms A. G. P. T.-452 and 451 to that Audit Office in order that it may be in a position to watch the adjustments appearing in the exchange accounts through the register in Form No. A. G. P. T.-450 maintained by it. When such adjustments are traced, the Audit Office of the *principal* office of exchange will verify the items from the register maintained by it and adjust the amount as follows:—

Dr.

Money Order Remittances.

To

Foreign Money Orders .. .. .  
(country of exchange).

Cr.

An advice of transfer should also be issued, at the same time, to the other Audit Office concerned where the necessary note will be made in its register of void orders and a transfer entry prepared as follows :—

Dr.

Inland Money Orders (month of issue).

To

Cr.

Money Order Remittances .. .. .

### III.—Outward Rupee Orders.

#### Introductory.

541. Outward rupee orders are of two classes, *viz.* :—

- (1) those drawn on Indian States and
- (2) those drawn on foreign countries outside India.

The method of adjustment, as far as commission is concerned is the same in the case of both classes of money orders, *viz.*, one-half per cent. on the aggregate amount of the drawings is credited to the foreign countries and Indian States of payment ; but the mode of adjustment with regard to the repayment of these two classes of money orders to the remitters is different, *see* Note 2 to Article 545.

#### Audit Arrangements.

542. The money orders are included in the lists of money orders issued, but are distinguished from inland orders by the letter F noted before the number in the lists, and the audit of the value and commission is performed under the rules for inland money orders (*vide* Articles 389—396).

NOTE.—Outward foreign money orders are not, as a rule, issued on “Postal Service”. But the amounts due to Ceylon on account of parcel exchanges between India and Mauritius, through Colombo, are remitted every month by the Madras office by means of Postal service money orders drawn on Ceylon. Postal service money orders are also issued by the Karwar post office on Goa, in payment of the cost of establishment of the mail agent at Margao (Goa).

543. In the case of Indian State money orders, the total amount of undeliverable and service money orders entered in each of the outward lists received by the Calcutta, Madras and Nagpur Audit Offices should be verified with reference to the money orders and intimated to the Delhi Audit Office for verification of the amount of commission shown in the account current. The Delhi Audit Office should maintain a register in Form No. A. G. P. T.-454, in which these amounts should be entered. A similar register should also be maintained in the Madras Audit Office for note of undeliverable Telegraphic Money Orders re-advised to Ceylon in order that the international commission adjusted in the exchange accounts may be checked.

544. The offices of exchange submit periodically lists of money orders advised, accompanied by the money orders entered therein. These are audited in the same manner as the exchange office lists for sterling money orders advised, and transfer entries are similarly prepared through the registers in Forms Nos. A. G. P. T.-446 and 447 for each foreign country or Indian State of exchange for the purpose of incorporating the figures in the monthly accounts (*see* Article 523).

NOTE.—Postage stamps to the value of three annas on account of fee for obtaining advice of payment will be affixed to the outward rupee money orders as in the case of outward sterling money orders [Also see Note 2 to Article 522 (e).]

545. The money orders are then made over to the Sorting group where they are sorted according to offices of issue, and their amounts checked with a coloured pencil against the entries in the corresponding lists of money orders issued.

NOTE 1.—The rules in Section I of this Chapter are generally applicable to this class of money orders.

NOTE 2.—The payments to remitters of the outward rupee money orders, the repayment of which is authorised or which are communicated as void, are made in the manner prescribed in Articles 526 to 528. The orders drawn on Indian States are not subject to this mode of adjustment, as when they become unclaimed, fresh orders in lieu of them are issued by the Indian States on India, *vide* Rule 20, Appendix A to the Posts and Telegraphs Manual, Volume V.

#### IV.—Inward Rupee Orders.

##### Explanation.

546. Inward rupee money orders are also divided into the same two classes as outward rupee money orders, and one-half per cent. commission on the total amount of the drawings is credited to India by the foreign countries and the Indian States.

NOTE.—Fresh money orders issued by Indian States in repayment of outward orders to remitters in India appear in the Indian States Inward lists under the group “undeliverable money orders”, the one-half per cent. commission being calculated on the net amount of drawings after deduction of the total of undeliverable money orders.

##### Audit arrangements.

547. The offices of exchange submit periodically lists of inward rupee money orders issued which are audited in the same manner as the exchange office lists of sterling money orders issued and necessary adjustments are noted in the Transfer Entry book (Form S. Y.-290) for the purpose of incorporating the figures in the monthly accounts (*see* Article 533). The lists are then made over, under receipt, to the ordinary money order checker.

NOTE.—The claims of the Indian Post Office from the Malaya Administration and *vice versa* on all accounts, other than the money order exchange account, are adjusted by means of “Postal Service” money orders which are exempt from all charges for commission.

• 548. The inward rupee money orders, when paid, are included in the ordinary lists of money orders paid, being distinguished from inland orders by the letter F placed before the numbers. They are sorted along with the inland money orders, and debit-checked in the ordinary way.

**549.** The treatment of void inward rupee money orders drawn by foreign countries and their repayments to the remitters are governed by the rules prescribed in Articles 536 to 540 ; but Indian States drawings are not subject to those rules. No communication of void orders is made to the Indian States, and repayments to remitters are made by re-advice of the original money orders to the Indian State of issue in the manner indicated in Note 2 to Article 545.

NOTE 1.—The repayment of inward rupee money orders within currency is governed by the procedure prescribed in Article 536

NOTE 2.—Telegraphic money orders are issued by the Patuli and Chamba States for payment in British India. For the procedure of adjustment of commission and telegraph charges on these orders, see Note 2 to Rule 4, Appendix B to the Posts and Telegraphs Manual, Volume VI.

### V.—Trade charge Money Orders.

#### C. O. D. outward lists.

**550.** On receipt of the outward lists with Value-payable money orders in the respective Audit Offices (*vide* Note 3 to Rule 3, Appendix B to the Posts and Telegraphs Manual, Volume VI), the money orders are examined as ordinary foreign money orders and made over to the Sorting group where they are sorted along with other inland paid orders and sent to the Debit-checking group in which they are debit-checked along with other money orders. The totals of these outward lists are posted in a register in Form No. A. G. P. T.-449 and the following adjustment is made :—

Dr.

Inland money orders—month of issue.

To

Cr.

Suspense Account—Trade Charge Money Orders (Name of Country).

NOTE 1.—The entries in the C. O. D., outward lists and the Value Payable Money Orders advised to the United Kingdom, the Irish Free State and Colony and Protectorate of Kenya, Uganda Protectorate, and Tanganyika Territory also bear special serial numbers assigned by the Bombay or Aden Office of exchange advising the Money Orders. The serial numbers will run consecutively commencing with No. 1 for each month and for each audit office and will also be shown on the relative Trade Charge Money Orders.

NOTE 2.—The C. O. D. outward list examiner will carefully examine whether any mis-sorted C. O. D. money order has been wrongly included in the C. O. D. list. The mis-sorted money orders, when traced, should not be sent to the Sorting group but should be forwarded to the respective Audit Offices with a forwarding note, necessary correction being made in the total of the C. O. D. lists, and an intimation of the correction sent to the Audit Office as well as to the Indian Office of Exchange concerned.

#### London Trade Charge Account.

**551.** (a) This account is prepared by the London Post Office and sent to the Bombay office of exchange, by which it is submitted to the Nagpur Audit Office with the receipted Trade charge money orders.

(b) On receipt of the Trade Charge Account with the relative Trade Charge Money Orders, the orders are sorted in the Nagpur Audit Office according to the Audit Offices of the different offices of issue and listed separately for each Audit Office in Form A. G. P. T.-473 in which are shown—

- (1) the special serial number assigned by the Office of Exchange.
- (2) the sterling value of the Trade Charge Money Order and its equivalent in rupee currency. The lists for the Nagpur Audit Office will be in singles. Those for other Audit Offices will be prepared in duplicate and totalled and reconciliation of the sterling value alone with the total shown in the London Trade Charge Account prepared in sterling currency will be effected in the Nagpur Audit Office. The total amount of the lists in (rupees) for each Audit Office is debited to the respective Audit Office through an Advice of Transfer, the lists and vouchers being sent as enclosures.

NOTE.—Any difference in the rupee amount due either to clerical errors in compiling the extracts or to short or excess charge in the outward lists will be detected in the course of detailed audit in the Audit Office concerned

(c) The Home Audit Office money orders are sorted according to the month of advice and the special serial number assigned to them by the Office of exchange (*vide* Note 1 below Article 550), and debit-checked in the outward lists with which the identical Value-payable money orders were received.

(d) The following adjustment of the gross amount of the account is made in the Nagpur Audit Office.

Dr.

Money Order Remittance.—Calcutta Audit Office.

Money Order Remittance.—Delhi Audit Office.

Money Order Remittance.—Madras Audit Office.

Suspense Account.—Trade charge money orders—(name of country).

To

Foreign money orders—Great Britain and Northern Ireland . . Cr.

(e) The sterling value deducted from the total of the Trade Charge Account on account of one-half per cent. commission is converted into rupee currency at the flat rate of exchange. The following adjustment is then made—

Dr.

Foreign money orders—Great Britain and Northern Ireland (deduct from credit).

To

Commission on Money Orders.

Cr.

(f) On receipt of these money orders with the advice of transfer in the other Audit Offices, the correctness of the amount debited is verified by comparing the entries in the lists with those on the vouchers. They are sorted according to the month of advice and the special serial number and then debit checked against the entries in the outward lists and thereafter the following adjustment is made.

Dr.

Suspense Account—Trade Charge Money Orders (name of country).

To

Money Order Remittances—

Nagpur Audit Office.

Cr.

NOTE.—The initial letters of the Postal Circle should be noted against each entry in the extracts with reference to the Trade Charge Money Orders to facilitate compilation of statistics (*vide* Note to Article 583).

**551-A.**—The Trade Charge Accounts with the Irish Free State Colony and Protectorate of Kenya, Uganda Protectorate, and Tanganyika Territory are received in the Nagpur Audit Office and dealt with in the same manner as Trade Charge Account with London. The only difference is that the amounts of the former accounts both inward and outward are adjusted through the Money Order exchange accounts under “special items”.

#### **Outward Trade charge Account with Johor Malaya and Kedah.**

**552.** (a) These accounts are prepared by the Calcutta G. P. O. which is the only office of exchange in respect of C. O. D. money orders advised to and from these countries. On receipt of these outward accounts with the receipted Trade Charge Cards from the General Post Office, Calcutta, in the Calcutta Audit Office, the entries shown therein are compared with those on the money orders.

(b) The Trade Charge money orders are then sorted according to the Audit Office of the Offices of issue. The values of the money orders intended for other audit offices are debited to them through advices of transfer supported by the Trade Charge Orders, details of these orders being furnished on the advices of transfer.

(c) The Home Audit Office Trade Charge Money Orders are dealt with in the Calcutta Audit Office in the same manner as the United Kingdom Trade Charge Money Orders are dealt with in the Nagpur Audit Office [*vide* Article 551 (a) *Supra*].

(d) In the Nagpur, Madras and Delhi Audit Offices, the Trade Charge Money Orders received with the advice of transfer from the Calcutta Audit Office are dealt with in the manner described in Article 551 (f) *Supra* and the note thereunder in respect of United Kingdom Trade Charge Money Orders.

(e) All the adjustments are similar to those adopted for Trade Charge transactions with United Kingdom.

NOTE 1.—As no special serial numbers are assigned to the Trade Charge Money Orders relating to Eastern countries by the Calcutta G. P. O. there is no sorting according to special serial numbers in the audit offices in respect of these money orders as in Article 551 (f).

NOTE 2.—Although Johore and Malaya maintain separate Trade Charge Accounts with India independently of each other, the balance of the former whether in favour of India or the foreign administration concerned together with the balance of Malaya Trade Charge Accounts is finally passed under "special items" in the money order exchange account with Malaya.

#### List of unpaid items.

553. After all the money orders are debit-checked in the outward lists, the items not debit-checked in the outward lists are compiled in a statement called the list of unpaid items in Form No. A. G. P. T.-474. These money orders, when received as paid with subsequent Trade Charge Account, are debit-checked in the list of unpaid items.

#### London Trade Charge Account with Aden.

554. The procedure for the preparation of this account and its adjustment in the Audit Office is the same as that prescribed for the Trade Charge Account with London (*vide* Article 551) except that the account with Aden deals with money orders issued by Aden and its sub-offices. The procedure for the other Audit Office money orders is not applicable so far as the Trade Charge account with Aden is concerned.

#### C. O. D. Inward lists.

555. These lists are received from the offices of exchange which are authorised to deal with C. O. D. money orders and are audited as other Inward lists. At the end of the month, the amounts of these lists are posted in the Inward register (Form No. A. G. P. T.-449) and the following adjustment is made :—

Dr.

Suspense Account—Trade Charge Money Orders—(name of country)

To

Inland Money Orders (month of issue) .. .. Cr.

In addition to the above adjustment, the following adjustment is made in respect of commission calculated at one and a half per cent. on the total amount of the lists :—

Dr.

Sale of ordinary stamps.

To

Commission on Money Orders .. .. Cr.

### Inward Trade Charge Accounts.

**556.** These accounts are prepared by the Principal Offices of Exchange from the Certificates of payments received from the Post Offices of payment of C. O. D. Inward Orders. The accounts relating to Eastern countries of Malaya, Johore and Kedah are submitted to the Calcutta Audit Office, while those relating to Western countries of Great Britain and Northern Ireland, Irish Free States and Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory are submitted to the Nagpur Audit Office. On receipt of these accounts their totals are checked. The amount of one half per cent. commission shown therein is also checked. The money orders, shown therein are verified in the inward lists concerned noting against the entries the month of the Inward Trade Charge account in which the orders are claimed.

The following adjustments are then made :—

Adjustment of the Gross total of the Account.		Adjustment of the one half per cent. commission deducted.	
<b>Dr.</b>		<b>Dr.</b>	
	Foreign money orders (Name of country)		Commission on money orders.
<b>To</b>		<b>To</b>	
	Cr.		Cr.
	Suspense Account—Trade Charge Money Orders.		Foreign money orders (Name of country) (deduct from debit).

The outstandings in the Inward lists, i.e., the inward money orders not claimed in the Account, are compiled in a statement called the statement of unpaid items (Form No. A. G. P. T.-474). When these outstanding money orders are claimed in the subsequent accounts, they are removed from the above statement.

### Broad sheet of Inward and Outward Trade Charge Money Orders.

**557.** The amounts of Inward and Outward lists temporarily placed under the head "Suspense Account—Trade Charge Money Orders" are posted in a broadsheet in Form No. A. G. P. T.-469. The amounts claimed in the respective Trade Charge Accounts are also posted in the broadsheet in order to clear the amount placed under the head "Suspense Account—Trade Charge Money Orders". The difference between these two amounts represents the amount of the outstanding items in the list of unpaid items. The Broadsheet serves the purpose of not only exercising a check over the outstanding items but also of reconciling the credits and debits under the head "Suspense Account Trade



Charge Money Orders ” with the corresponding figures in the Detail Book and is submitted to the Gazetted Officer on the last day of the month for review.

558. *Nil.*

559. *Nil.*

## VI.—Periodical settlement of Accounts.

### Exchange Accounts.

560. The money order transactions between India and the several countries of exchange are settled periodically by means of exchange accounts which show, on one side, the total amount of each outward list, the international commission thereon calculated at one-half per cent., the amount of inward orders repaid to remitters or written back to the country of issue as void (see Articles 537 and 549), remittance on account, special items and balance from preceding account. On the other side, the exchange accounts show, the total amount of each inward list, the international commission thereon at one-half per cent., outward orders repaid to remitters or written back to India as void, remittance on account and special items. The two sides of the accounts are squared by showing the difference as “balance due to or by India”.

**NOTE.**—For sterling exchanges the account is expressed in sterling money; for rupee exchanges the form of account is similar, but the figures are in rupee currency.

**EXCEPTION.**—In the accounts with Indian States no entries of repayments of void money orders appear (*vide* Note 2 to Article 545 and Article 549).

### Receipt and Audit of Exchange Accounts.

561. The exchange accounts with Indian States and the several foreign countries and colonies are prepared periodically as shown in Appendix B to the Posts and Telegraphs Manual, Volume VI. The accounts of foreign countries and colonies are received in the Audit Office from the *principal* offices of exchange, and the accounts of the Indian States are received from the *principal* Imperial offices of exchange.

562. The exchange accounts will be received by the Home Audit Office of the *principal* office of exchange and will be dealt with by the Money Order Section. The total of the outward and inward lists will be verified, the international commission checked, the amount shown as inward orders repaid or void examined with the corresponding entries in the void list and the register of repaid order (Form A. G. P. T.-450), and the total of the list of repaid orders verified with the amount shown in the exchange account, discrepancies being noticed in Form A. G. P. T.-455. Finally, due note will be taken of the entries adjusting errors in previous accounts and of any special items; the cost of the bill of exchange for remittance of the balance or proceeds of that received in settlement of the balance as communicated by the Postal Accounts Section will be checked with the balance of the exchange account. The following

transfers will be made, on receipt of exchange accounts, in order to adjust the commission and other receipts or charges shown in the money order exchange account :—

- (a) Credit or debit commission for the net difference in international commission.
- (b) Credit or debit "Exchange on Remittance Accounts—Postal and Money Order transactions" for difference of exchange or for premium paid for purchase of drafts in settlement of balances due by India for rupee money order transactions.
- (c) Credit or debit "Foreign money orders" to counterbalance (a) and (b).
- (d) Debit "Inland money orders—month of issue" in case of Home Circle money orders or "Money order remittance" in case of other money orders by credit to "Foreign money orders" in respect of repayment of inland orders.

**563.** The balances of the money order exchange accounts should not be carried over to the next account, but should be settled by cash remittances or remittances through the India Office or through the London General Account, unless otherwise provided for in any particular case.

A register in Form A. G. P. T.-456 should be kept for watching the credits and debits in settlement of the balances of the exchange accounts.

On receipt of the exchange accounts, the balance shown therein is noted in this register and a note of adjustment in settlement of the balance is recorded in the column provided for the purpose.

**NOTE 1.**—In respect of the money order transactions with the Gwalior State, the accounts current prepared by the Jhansi, Gwalior Railway Station, Neemuch and Ujjain Railway Station offices of exchange are received in the Delhi Audit Office, as A/c, the principal office of exchange with the Gwalior State, is in the jurisdiction of that Audit Office.

**NOTE 2** —The examination of the exchange accounts should be completed within 15 days of their receipt.

**563-A.** *Watch of interest on balances of money order exchange accounts outstanding for more than 6 months.*—The amount shown in an Exchange Account as remaining due from one Administration to the other, shall on the expiration of six months following the period covered by the relative Exchange Account, be subject to interest at the rate agreed upon. The interest shall be carried to the debit of the Administration in arrear in the following account "under special items". With a view to watch the adjustment of interest on balances outstanding for more than 6 months, necessary notes regarding interest should be made in the last column of the Register in form A. G. P. T.-456 and its adjustment watched. The Register should be submitted for review to the Gazetted Officer through the Superintendent on the last day of every quarter.

The amount of interest appearing in the Exchange Account should be adjusted under the head "B. Miscellaneous Revenue—Postal—Fees and other receipts—other items". In the case of sterling accounts the amount shown in sterling currency should be converted into Rupees at the flat rate of Re. 1=1s. 6d

NOTE 1.—The interest shall be calculated on the number of Calendar months, the remaining number of days in a month being treated as a fraction of a month.

564. Advance remittances due to, or from, foreign countries are watched through a register in Form A. G. P. T.-457. This register is posted once a week (Saturday) and is reviewed by the Gazetted Officer on the 2nd of every month. Calls should be made for remittances after one month and three weeks from the date on which they fall due.

*Exception.*—This register need not be maintained in the Calcutta Audit Office. At the time of local inspection of the Calcutta General Post Office, it should, however, be seen that advance remittances are called for by it with promptitude.

565. The exchange account for money order transactions with Great Britain and Northern Ireland is combined with the letter and parcel postage account and termed the "General Account with the London Post Office". The balances of exchange accounts with the following countries are also adjusted through this Account :—

- (1) Denmark.
- (2) France.
- (3) Germany.
- (4) Iraq.
- (5) Italy.
- (6) Norway.
- (7) Switzerland.

The General Account is received in duplicate in the Nagpur Audit Office from the Presidency Postmaster, Bombay, by the 3rd of the second month following. The Nagpur Audit Office adjusts the sterling amounts relating to (1) Foreign Money Orders (2) Share of Commission (3) Repaid and Void Money Orders (4) Trade Charge Money Orders and (5) Balance of Money Order transactions with foreign countries settled through the General Account. The actual rupee values in respect of items (1), (3), (4) and (5) above are ascertained from the various registers and subsidiary accounts maintained in the Nagpur Audit Office. The net adjustments to the head 'Foreign Money Orders—United Kingdom' made on receipt of the London and the Inward Trade Charge Accounts, are taken for the sterling amounts against Trade Charge Money Orders in the General Account. The actual rupee values thus ascertained are adjusted by debit or credit to "Foreign Money Orders—(Country)". The

Remittance head "Account between England and India—Items adjustable by England" is, however, credited or debited with the rupee equivalents of the sterling amounts converted at the flat rate (1s. 6d. per rupee) and any difference between the two rupee figures is adjusted under "Exchange on Remittance Account". The commission on Foreign Money Orders and Trade Charge Money Orders is also adjusted at the flat rate of exchange [*vide* Article 551(c)]. The Money Order Section of the Nagpur Audit Office will then make over both the copies of the General Account to the Account Current Section. The latter after adjusting the remaining items will forward one copy to the Central Office, so as to reach that office by the 10th of the month. The Central Office will forward it after check to the Accountant General, India Office London, by the first Mail day, *vide* Article 100 of the Posts and Telegraphs Account Code.

NOTE.—A schedule of debits and credits relating to the Accounts between England and India should be sent to the Central Office by the Nagpur Audit Office in respect of the adjustments made in that Office.

**566.** As already stated in Article 531, the amounts advised by the London Post Office are shown in the relative inward lists in rupee currency. In the Bombay General Account, particulars of these lists, *viz.*, number of list, date of list, monthly numbers, amount of orders in rupees, etc., are entered to the credit of India in the space provided for the purpose. The total amount of orders in rupees for the month *plus* the commission at one-half per cent. will be converted into sterling at the mean of the market rates for drafts current during the month. A statement showing the mean of the rates (Bombay on London) will be forwarded to the Bombay office at the close of each month. India cannot, therefore, claim from England the total sterling value of the inward lists for a month as in the case of other sterling countries, but only the sterling value arrived at by conversion of the total amount of rupees shown in the inward lists at the mean of the market rates for drafts (Bombay on London) prevailing in the course of the month.

NOTE 1.—In the case of sterling countries, the total rupee equivalent adjusted in each month is noted in red ink in the Money Order Exchange Account against the particulars shown in the list. The month of adjustment is also noted therein. A reference is made in the last column of the register of outward and inward orders to the exchange account in which the lists are accounted for.

NOTE 2.—The month of exchange account in which void inward orders are shown as repaid to the foreign country is noted in the void list and the amounts of such orders shown in the column 'month of adjustment'. Suitable notes should also be made in the register of repaid orders and in the statement of void orders communicated to the foreign country as void. In the case of inward orders repaid within currency, the particulars of the exchange account and the month of adjustment should be noted prominently against the money orders in the Inward list or in the register of unpaid money orders if the items have already been picked out as unpaid money orders. In the latter case the column 'month of adjustment' will also be filled in.

**567.** In the case of the following countries, the settlement of balances due to India in the Money Order Exchange Account will be made by remittances through the Accountant General, India Office, London :

1. Nyasaland Protectorate. 2. British Guiana. 3. Colony and protectorate of Kenya. Uganda Protectorate and the Tanganyika Territory.

4. Egypt. 5. Malta. 6. Sudan. 7. Trinidad. 8. Union of South Africa. 9. Irish Free State. 10. Palestine. 11. Commonwealth of Australia. 12. Fiji. 13. New Zealand. 14. Zanzibar and 15. Sandi Arabia.

Intimations of the remittances made by the above countries are sent by them to the Accountant-General, Posts and Telegraphs, who forwards them in original to the Nagpur Audit Office in the case of the first eleven countries and to the Madras Audit Office in the case of the rest for watching credits afforded through the London Accounts and for note in the register of remittances (Form A. G. P. T.-456) as well as in the register for watching advance remittances (Form A. G. P. T.-457). When credits for the remittances appear in the London Accounts extracts from the schedule of credits are sent to the Nagpur and Madras Audit Offices by the Accountant General, Posts and Telegraphs, for purposes of adjustment and verification of the credits with the intimations of remittances already sent. They are adjusted as below and particulars of adjustment are communicated to the Central Office.—

Dr

(1) Account between England and India—

His Majesty's Imperial Government—

Postal and Money Order transactions.

(b) With Colonial Administrations.

• (2) Exchange on Remittance Accounts.

Postal and Money Order transactions.

To

Foreign Money Orders.....(name of country)..... ..Cr.

The rate of conversion adopted for the remittance in sterling is the same as that for inward orders in force on the date of the remittance. The difference between the amount in rupees converted at this rate and the conventional rate of Re. 1=1s. 6d. will be debited to "Exchange on Remittance Account".

**568.** The balances in favour of India in respect of exchange accounts with colonial and other administrations are adjusted through the London Account, while the balances due by India are settled by drafts on London purchased in the market. The amount paid in rupees for the purchase of the draft will be charged in the cash account and debited to "Foreign Money Orders—country of exchange".

**569.** The balance of the half-yearly parcel account between India and the Union of South Africa, Kenya, Seychelles, Iraq, Australia, Fiji and New Zealand is adjusted through the money order account between the two administrations by entry against the head "Special items detailed in the annexure". The balance of letter mail transit charges between India and Colony and Protectorate of Kenya, Uganda Protectorate and Tanganyika Territory is also adjusted similarly. No money order commission is payable on the balances thus

included in the money order account. The transfer adjustment to be made in the Audit Office is similar to that indicated in Article 573 (1).

**570.** The balances of the half-yearly accounts relating to both insured and uninsured parcels exchanged between India and the Commonwealth of Australia, viz., the Colonies of New South Wales, Queensland, South Australia, Tasmania, Victoria and Western Australia are included in the money order accounts between India and those Colonies. Care should be taken to see that no money order commission is charged on such items. These balances, when they appear in the general account of money orders with the Commonwealth, will be adjusted in the manner indicated in Article 573 (1) in the accounts of the months in which the balances of the money order accounts are settled. The land and sea transit charges are also similarly adjusted.

**571.** The balance due to India on account of money order transactions with Mauritius is adjusted through the exchange account with the Accountant General, Central Revenues, who exchanges account with the Mauritius Government. On receipt of the quarterly money order account with Mauritius, the Nagpur Audit Office should adjust the balance by a transfer entry debiting the head "Account between the Accountant General, Central Revenues, and the Accountant General, Posts and Telegraphs—Items adjustable by Civil Department—Miscellaneous—India" and crediting the heads "Foreign Money Orders—Mauritius" and "Commission on Money Orders" (for the difference of international commission shown in the money order exchange account.)

**571-A.** The balances due to India on account of money orders exchanged between India and Ceylon, are settled by Bank drafts drawn in favour of the Postmaster, Madura, and the balances due to Ceylon are settled by means of bills of Exchange on Colombo.

**572.** Under the head "special items" in the money order exchange accounts with Malaya, the adjustment on account of Savings Bank transfers appears to the credit of India or the Foreign Administration. A schedule of Savings Bank accounts transferred between the countries concerned is appended to the money order exchange account. The adjustment in respect of such Savings Bank transfers is made in the course of audit of the money order exchange account by debiting or crediting the head "Savings Bank Deposits—Transfers between India and other countries" and by crediting or debiting (deducting from credit) the head "Foreign money orders". The schedule of Savings Bank accounts is then forwarded to the Government Security Section for final disposal.

#### Miscellaneous Items.

**573.** (1) The cost of conveyance of Parcel mails, both insured and uninsured, between Dhanushkodi and Colombo and Dhanushkodi and East and South

Africa (*via*) Colombo is adjusted by including the amounts in the General account of Parcels and Insured letters exchanged between India and Ceylon. The net balance of this account is settled annually by an entry in the money order account between the two administrations

The item in the money order account is adjusted by credit to the head " Abstract A-II--Postal Receipts (b) Receipts from other Postal Administrations, or (c) Deduct payments to other Postal Administrations ", as the case may be

(2) A monthly subsidy of Rs. 200 payable by the Administration of Goa on account of steamer service between Bombay and Goa is credited to the Indian Post Office through the money order account with that administration. The credit will be transferred in the Nagpur Audit Office to the head " XIX.—Posts and Telegraphs—Abstract J. (Postal expenses)—Conveyance of Mails—Subsidies—steamship companies " (by deduction from debit) in the accounts of the month in which the balance of the money order account is settled.

(3) Amounts due to or by the Indian Posts and Telegraphs Department on account of the conveyance of letter mails over the Dhanushkodi Talaimanner service, Natal Line and Indian and South African Lines are settled through the Annual Liquidation Account of the International Bureau at Berne and are generally adjusted as described in Article 369-A, Posts and Telegraphs Audit Code, Volume I. In the case of Great Britain and Northern Ireland, however, the final adjustment of the amount as included in the Liquidation Account is effected through the General Account between Great Britain and Northern Ireland and India, the credits and debits being adjusted in the same heads of account as indicated in article 369-A *ibid.*

#### Adjustment of Exchange.

574. As the Government of India have adopted the rate of Re. 1=1s. 6d. as the conventional rate in the public accounts, and as different rates are fixed by the Director General, Posts and Telegraphs, from time to time, for the conversion of foreign outward and inward sterling money orders, the difference between the rupee value converted at the official rate and that converted at the rate fixed by the Director General, Posts and Telegraphs, has to be adjusted to the head " Exchange on Remittance Account—Postal and Money Order transactions ".

575. After the examination of the exchange account is completed, all the adjustments made in respect of the transactions shown in the exchange account under the head " Foreign Money Orders " are collected under the credit and the debit sides of that head in a broadsheet in Form No. A. G. P. T.-458 and a reconciliation of the two sides is attempted. The two sides will ordinarily agree in the case of rupee countries. In the case of sterling countries, however, the sterling value on the two sides of the exchange account will agree, but there will always be a difference in the rupee value due to the adoption

of different rates of conversion for the adjustment of remittances from the foreign country. This difference will be adjusted to the credit or debit of "Exchange on Remittance Account—Postal and Money Order transactions", and the two sides of the head "Foreign Money Orders" reconciled.

**576.** In the Detail Books, the major head "Foreign Money Order" is divided into as many sub-heads as there are countries or colonies with which India, has direct exchanges of money orders. Great care should be taken to adjust the transactions relating to each exchange under the proper head of account.

*Exception.*—The money order transactions with the several States of the Commonwealth of Australia are adjusted in the books under a single head "Commonwealth of Australia."

## VII. Indo-Ceylon Telegraphic Money Orders.

### Examination of Issue and paid Lists.

**577.** As far as issues and payments in India are concerned, the Audit Offices will not receive any separate lists of Indo-Ceylon telegraphic money orders issued or paid, as the entries will be included in the ordinary money order lists. All that is necessary for the sub-auditor in the Money Order Section is to see in all cases—

- (a) that the amount of a money order does not exceed Rs. 600 or include any fraction of a rupee ;
- (b) that the commission is credited at the ordinary rate.

### Audit Arrangements.

**578.** The Madura Post Office will furnish the Madras Audit Office with a summary of the Inward Telegraphic Money Order lists exchanged between Madura and Colombo and a copy of the monthly Telegraphic Money Order Account, and the Colombo Post Office will send a copy of each inward list direct to the Madras Audit Office. The Outward Telegraphic Money Order lists will be prepared in parts according to the Circles of audit whence the Telegraphic Money Orders were issued and these will be sent to the respective Audit Offices.

*NOTE.*—The Madura Post Office should furnish the Madras Audit Office with a summary only (instead of a copy) of the inward telegraphic money order list which will give the following particulars :—

- (a) Number and date of each Colombo list.
- (b) Amount of telegraphic money orders in each list.
- (c) Half the amount of commission realised on the Telegraphic Money Orders in each list.

**579.** The lists will be audited under the following rules :—

- (a) The inward list received from Colombo will be examined in the Money Order Section, the total checked and posted in the register (Form No. A. G. P. T.-446). The monthly total will be



adjusted by a transfer entry similar to that prescribed in Article 533. The examination of the list will be completed as early as possible. It will then be made over to the checker and will be formed into a register in which the payments in India will be checked.

**NOTE.**—Telegraphic money orders from Ceylon are ordinarily credited in the accounts of the Audit Office in the month in which they are incorporated in the Colombo inward list, irrespective of the month in which they were issued. But telegraphic money orders issued in *March* and incorporated in the Colombo list for April are adjusted in the accounts of March (final), not April.

- (b) The outward lists received from Madura will be accompanied by the copies of the telegraphic money order advices on which they are based but without any other voucher, and slips must therefore be prepared for the purpose of debit-checking. The weekly total of the list will then be posted in the register referred to in Article 544 and a monthly transfer entry made as prescribed in that Article. The examination of the list will be completed as early as possible.
- (c) In checking debits against credits, care must be taken not only to bring to notice over-payments or short payments, but omissions on the part of the office of exchange to advise Ceylon of issues. It must be remembered that every issue on Ceylon should, as a general rule, be known to Madras Telegraph Office on the day of issue or on the following day, and that the debit should therefore follow the credit very rapidly.
- (d) On receipt of the monthly account of telegraphic money orders, it should be carefully checked with the inward and outward lists, any discrepancy being pointed out to the office of exchange.
- (e) No communication will be made by the Audit Office to Colombo direct, all references which it is necessary to make by letter or by telegram being made to the office of exchange at Madura or in special cases to the Postmaster General, Madras.

**580.** The telegraphic money order accounts with Colombo will be adjusted in the Money Order Section simultaneously with the non-telegraphic Ceylon money order exchange account.

**NOTE.**—The commission shown in the telegraphic money order account should be adjusted by a transfer entry.

#### **VIII.—Exchange of Telegraphic money orders with Foreign Countries other than Ceylon.**

**581.** Telegraphic Money Orders exchanged between India and Foreign Countries other than Ceylon are included in Inward and Outward lists of Telegraphic Money Orders. These lists (both inward and outward) bear the same number and date as those of Ordinary lists. As no separate exchange

account is maintained in respect of these transactions, the total of the Telegraphic Money Order lists is for the purposes of accounts, included in that of ordinary Inward or Outward lists as the case may be. Advance copy of lists of Telegraphic Money Orders is received in Audit Offices from the offices of Exchange. The advance list contains the following particulars:—

- (1) Number of the Money Order.
- (2) Date of the Money Order.
- (3) Head or Sub Office of payment.
- (4) Value of the Money Order.

In the case of Telegraphic Money Orders originating from Sterling Countries other than Great Britain and Northern Ireland only the Sterling amount is shown in the Advance list whereas in the case of Telegraphic Money Orders originating in Great Britain and Northern Ireland only the Rupee equivalent is shown. The Advance list is audited as follows:—

- (1) Sequence of numbers is examined.
- (2) Totals are checked (any corrections found necessary being made and intimated to the office of exchange).
- (3) Initial letters of Postal Circles are noted against the entries in the list to facilitate compilation of statistics. In addition the rupee equivalent of the sterling value (in the case of sterling countries other than Great Britain and Northern Ireland) is converted and posted against the relative entries in the list for adjustment purposes. The figures are finally posted in a register in Form A. G. P. T.-447 for the purpose of monthly adjustment. The entries in the list are debit checked with the paid Telegraphic Money Order receipts prepared by the office of payment. No audit is exercised on the completed copy of the list beyond seeing that the number and date of the Foreign Office Inward list are filled in the Advance copy and the totals of the completed copy of the list are posted separately in the register mentioned above in the manner indicated in the "*N.B.*" under Article 533. With a view to check the correctness of the claim from the foreign countries, a verification is made of the figures included in the Advance list with those accounted for in the Foreign office Inward list. As only the rupee equivalent is shown in the Advance list from Great Britain and Northern Ireland the sterling value as per the Inward list, is entered against the relative entries in the Advance list and its correctness checked. Any discrepancy should be settled either on receipt of the Exchange Accounts or in communication with the office of Exchange.

### Outward Telegraphic Money Orders.

These Money Orders are accounted for in outward lists of Telegraphic Money Orders prepared by the Indian Office of Exchange. *Lists* received in audit are accompanied by copies of the Telegraphic Money Order advices concerned. These advices which are treated as paid vouchers, are checked with the relative entries in the Outward lists. These lists of vouchers are dealt with in the same way as ordinary outward lists and orders.

582. Telegraphic Money Orders are also exchanged with the following countries.—

- (1) Great Britain and Northern Ireland.
- (2) Irish Free States.
- (3) Iraq.
- (4) Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory.
- (5) Nyasaland Protectorate.
- (6) Zanzibar.
- (7) Mauritius.
- (8) Seychelles.
- (9) Kuwait.
- (10) Malaya.
- (11) Kedah.
- (12) Kelantan.

NOTE 1.—Each of the Postal administrations of Malaya and Kedah maintains a *separate list* and a distinct series of numbers is assigned by the Foreign countries in respect of Telegraphic money orders issued upon India.

NOTE 2.—In respect of the Telegraphic money orders exchanged with the countries mentioned in Note 1, Calcutta is the only office of exchange. The messages, however, both Inward and Outward, pass through the Madras Central Telegraph Office which sends a copy of each message to the Calcutta Office of Exchange to enable it in the case of Inward Telegraphic money orders to verify details as shown in the Inward Telegraphic list received subsequently from the foreign countries, and in the case of Outward Telegraphic money orders, to prepare the Outward Telegraphic list for submission to the respective Audit Offices, the Telegraphic money order advices accompanying the respective Telegraphic Outward lists as vouchers. The total of the Telegraphic list is likewise included in that of the ordinary Outward list.

### IX.—Miscellaneous.

#### Statistics of Foreign Money Orders.

583. The following statements should be prepared by the Money Order Section of each Audit Office and sent to the Central Office not later than the 10th July of each year:—

*Statement I* (Form No. A. G. P. T.-462)—Showing the number, value and commission on the following three classes of foreign money orders issued during the year just closed, classified according to the Circles of issue, *viz.* :—

- (a) Foreign sterling money orders.
- (b) Foreign rupee money orders.
- (c) Indian States money orders.

*Statement II* (Form No. A. G. P. T.-463)—Showing the number and value of the foreign money orders paid during the year, classified according to the Circles of payment.

NOTE.—Statements I and II should exclude the value and number of “through” money orders issued or paid as they do not represent the issues or payments of India

*Statement III* (Form A. G. P. T.-464)—Showing the money order transactions with each country, colony or Indian State dealing with sterling or rupee money orders.

*Statement IV* (Form No. A. G. P. T.-465)—Showing the number, value (in Indian currency) and commission on outward foreign money orders for each month of the year just closed.

*Statement V* (Form No. A. G. P. T.-466)—Showing the number and value (in Indian currency) of inward foreign money orders for the year just closed.

*Statement VI* (Form No. A. G. P. T.-467)—Showing the number and value of outward foreign money orders for each country, colony and Indian State, classified according to the Circles in which the Indian Offices of exchange are situated

*Statement VII* (Form No. A. G. P. T.-468)—Showing the number and value of inward foreign money orders for each country, colony and Indian State, classified according to Circles in which the Indian offices of exchange are situated.

Statement I will be compiled by classifying the entries in the exchange office outward list. The compilation will be taken up immediately after the examination of each list has been completed. The total of the classification will be proved with the total of the weekly (or periodical) list and the monthly total of the classification will be made by the end of the second month following that to which the outward lists relate. This classification will be posted in a register in Form A. G. P. T.-459 which will be submitted to the Gazetted Officer for review. Telegraphic money orders will be posted in the register separately.

Statement II will be compiled by classifying the entries in the exchange office inward list. The compilation will be made in the manner indicated above and completed by the end of the second month following that to which the inward lists relate. The classification will be posted in a register in Form A. G. P. T.-460 which will be submitted to the Gazetted Officer for review. Telegraphic money order statistics will be recorded on a separate page for each class.

*Statement III* will be compiled as follows:—

The total number, amount (sterling and rupee) and commission on outward orders to each country of exchange will be posted in the register in Form No. A. G. P. T.-470 against each month and the annual total struck. For inward orders, the figures will be compiled from a register in Form A. G. P. T.-471. Figures for repaid and void orders will be compiled from the exchange accounts for each month in a register in Form A. G. P. T.-472 and the annual figures will be copied in Statement No. III.

Statement IV will be compiled from the register in Form A. G. P. T.-448.

Statement V will be compiled from the register in Form A. G. P. T.-471 which will be posted from the register in Form A. G. P. T.-447.

Statement VI will be compiled from the register in Form A. G. P. T.-470 and Statement VII from the register in Form A. G. P. T.-471.

The registers in Forms A. G. P. T.-470, 471 and 472 should be posted monthly and submitted to the Gazetted Officer for review.

**NOTE.**—Statistics for trade charge money orders will be compiled in forms similar to those prescribed for foreign money orders above. Classification of these money orders according to Circles of issue and payment will be compiled from the respective Trade Charge accounts and not from the outward and inward lists.

**584.** A statement showing the amounts received and paid in India on account of money order transactions (excluding remittances) with foreign countries for each year is submitted to the Accountant General, Posts and Telegraphs, by the 25th April for communication to the Director General of Commercial Intelligence and Statistics, Calcutta.

#### **Reconciliation of Foreign Money Order figures with the Detail Book.**

**585.** The figures under the head "Foreign Money Orders" are verified, separately for each foreign country of exchange, by means of a register in Form A. G. P. T.-461, one page being used for the credit and another for the debit, in which the differences are clearly explained. All differences with the Detail Book are adjusted before the accounts are finally closed, so that the total figures for the year in the column "Figures as per Detail Book" agree arithmetically with those in the column "Figures as per Foreign Money Order Register".

**586.** In order to enable the Money Order Section to effect the reconciliation prescribed in Article 585, the Detail Book figures for each month relating to "Foreign Money Orders" are supplied to that Section by the Postal Accounts Section not later than the 5th of the second month following that to which the accounts relate, and the figures are verified by the Money Order Section within 15 days of receipt of the Detail Book figures, the register being submitted to the Gazetted Officer for review on the 22nd of the month, through the Senior Accountant.

#### **Broadsheet of Foreign Money Orders.**

**587.** A broadsheet is maintained, in Form A. G. P. T.-458, of the total credits and debits under the head "Foreign Money Orders". A separate agreement is secured for each foreign country, one page being used for credit and another for debit. The Booking Section figures for each month, when they relate to only one exchange account, are posted in the appropriate column against the month to which they relate, but when the figures include amounts relating to more than one exchange account, they are split up and the amounts relating to each exchange account are posted against the particular month as shown in column 1. In respect of the exchange accounts which are

prepared quarterly, half-yearly or yearly, the figures are posted against the last month of the quarter, half-year or year, as the case may be, the months being bracketed together. The horizontal total against each month of the exchange account is struck only when the exchange account is adjusted by a remittance, as it is then only that an agreement between the total credit and the total debit can be secured. This agreement cannot be effected in respect of the exchange accounts which are left unadjusted during the year, and the differences between the credits and debits in these cases make up the annual balance. The broadsheet is submitted to the Gazetted Officer for review through the Senior Accountant on the 22nd of the second month following that to which the accounts relate.

#### Verification of Balances.

588. The balance under the head "Foreign Money Orders" comprises the balance of the exchange accounts remaining unsettled at the close of the year, excluding the inward money orders advised in March but accounted for in the issue list for April prepared by the office of exchange. With a view to bring out this result, the net international commission of the unsettled exchange accounts and the amount of inward orders shown therein as repaid or void are adjusted by transfer entries in the accounts of March (final), or by journal entries if the exchange accounts are received too late to admit of the adjustments being made in March (final). The items which make up the annual balance are noted in full detail in the remarks column of the broadsheet referred to in Article 587 and a statement showing the verification of the register balances with the Detail Book balances in Form No. A. G. P. T.-563 prepared in detail of each foreign country and Indian State, is submitted to the Central Office soon after the March (final) accounts are closed.

A similar report should be sent after the closure of each batch of Journal Entry.

NOTE.—It should be borne in mind that, besides the amount of inward money orders advised in March but accounted for in foreign money order issue list for April, the items that cause difference between the balance as worked out in the broadsheet and that shown in the unadjusted exchange account are (a) remittances received during the year in partial settlement of the unadjusted exchange account, and (b) advance remittances received in March in respect of the transactions for April. All these items should be described fully in the broadsheet.

#### Verification of balance "under Suspense Account—Trade Charge Money Orders".

589. After the March (final) accounts, of a year are closed, the balance under this suspense account as per register of unpaid items should be verified with the book balance and a report for each country showing the register and book balances at the end of each year and the difference (with the month of adjustment noted against the difference) should be sent to the Postal Accounts Section, for consolidation and submission to the Central Office. Similar statements should be sent after the accounts of the year for each batch of Journal Entry are closed.







## CHAPTER 8.—INDIAN POSTAL ORDERS.

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### Introductory.

**606.** The Accountant General, Posts and Telegraphs, is responsible for the Stock, Custody and issue of the Indian Postal Orders (introduced with effect from the 1st April 1935) and also for the audit of all transactions relating to them. The rules for indent, sale and payment of the Indian Postal Orders in Post Offices as well as those relating to the maintenance of the initial accounts and submission of account returns of Indian Postal Order transactions to Audit Offices will be found in Part V of Chapter 7 of the Posts and Telegraphs Manual, Volume VI.

**607.** The Deputy Accountant General, Posts and Telegraphs, Delhi, acting on behalf of the Accountant General, Posts and Telegraphs, is responsible for holding the Central Stock of Indian Postal Orders, their safe custody and issue to the Branch Audit Offices under the Accountant General, Posts and Telegraphs.

### Stock.

#### *Central Stock.*

**608.** The Central Stock is obtained through the Director General of Posts and Telegraphs by half-yearly indents on the Master, Security Printing, India, Nasik Road, for the supply of orders calculated as sufficient to increase

the existing stock of each denomination so as to meet the requirements of six months. For this purpose, half-yearly reports in the following form should be drawn up by each Branch Audit Office and submitted to the Deputy Accountant General, Posts and Telegraphs, Delhi, so as to reach his office before the 15th January and 15th July each year, showing what denominations need replenishing. The indent should be prepared accordingly (in triplicate) and issued over the signature of the Deputy Accountant General, Posts and Telegraphs, Delhi, two copies of which will be sent to the Director General of Posts and Telegraphs, the triplicate copy being filed in a guard file as office record. On receipt of the two copies of the indent, the Director General of Posts and Telegraphs, after his countersignature will forward one copy to the Master, Security Printing, India, Nasik Road, for supply of the Indian Postal Orders indented for direct to the Deputy Accountant General, Posts and Telegraphs, Delhi.

*Half-yearly indents for Indian Postal Orders.*

Denomination.	Issues in the previous six months (as detailed on the reverse)	Stock on 31st December... 30th June....	Additions required (in hundreds) to make up 6 months demands—Column 3, when less, deducted from Column 2	Remarks
1	2	3	4	5
Eight Annas ..				
Re 1 ..				
Rs. 5 ..				
Rs. 10 ..				

NOTE.—If the number in Column (3) exceeds that in Column (2), the word “Nil” should be written in Column (4) and no indent will be necessary.

*Custody of the Central Stock.*

609. The Central Stock is kept by the Cashier attached to the office of the Deputy Accountant General, Posts and Telegraphs, Delhi. The Stock is secured in a safe with double locks in the joint custody of the Gazetted Officer in charge of the Cash Branch and the Cashier, each of these officers keeping his keys in his personal custody.

610. On receipt of the orders from the Security Printing, India, the total number of the orders supplied as shown in the invoice should be compared with the total number shown in the office copy of the indent and variation, if any, noted against the denomination concerned in the latter. The orders are supplied by the Security Printing in small packets of 100 each. The number of packets should be counted and 5 per cent. of the packets test counted in detail. The total number of orders received should be noted under

the respective denominations in the Stock Register (Form No. A. G. P. T.-480). Entries made in the Stock Register should be attested by the Cashier as well as by the Gazetted Officer in charge of the Cash Branch. The acknowledgment for the orders should also be prepared and initialled by the Cashier and despatched to the Master, Security Printing, India, Nasik Road, duly signed by the Deputy Accountant General, Posts and Telegraphs, or the Gazetted Officer in charge.

*Stock in Branch Audit Offices.*

611. Every Branch Audit Office is provided with a Stock of Indian Postal Orders for issue to Head Postmasters under its audit jurisdiction. The stock in the Audit Office should similarly be kept in a safe with double locks, all the keys of one lock being kept in the personal custody of the Office Cashier and all the keys of the other lock in the custody of the Gazetted Officer in charge of the Cash Branch. The Stock is ordinarily replenished every three months from the Central Stock, by quarterly indents (in Form No. A. G. P. T.-481) on the 1st of January, April, July and October each year. Supplemental indents may however be made when the stock is found to have run out, owing to the unusual demands from Postmasters.

*Issues from the Central Stock.*

612. The quarterly or supplemental indents received from the Branch Audit Offices and from Post Offices under the Delhi Audit Office, is submitted by the Cashier to the Gazetted Officer-in-charge and when orders for supply have been passed by him, the requisite number of orders is taken out of the Central Stock, entered in the Stock Register (Form No. A. G. P. T.-480) and checked both by the Gazetted Officer and the Cashier and the latter then issues them with an invoice prepared in Form No. A. G. P. T.-303 (in duplicate) signed by the Gazetted Officer.

The original copy of the invoice issued by the Cashier, is received back from the Audit Office concerned or from the Post Office concerned under the jurisdiction of the Delhi Audit Office, duly signed as an acknowledgment, and is filed in a Guard File. The Cashier should see that he receives an acknowledgment for the Indian Postal Orders supplied to the Audit Office within a reasonable time, issue reminders for the same, when necessary, and bring cases of unusual delay to the notice of the Gazetted Officer.

*Stock Register in Branch Audit Offices.*

613. A Stock Register in Form No. A. G. P. T.-480 is maintained in each Branch Audit Office to account for the Indian Postal Orders received and issued by it. This register is posted, as regards receipts, from the invoices received from the Delhi Audit Office and as regards issues from the invoices issued by it to the Postmasters.

NOTE.—Indian Postal Orders received from the Central Stock should be counted by the cashier in the presence of the Gazetted Officer, who will conduct a test check of the counting.

*Issues to Postmasters.*

**614.** Indian Postal Orders are issued to Head Post Offices on indents received from the Postmasters. These Indents (whether by telegram or otherwise) are entered in the appropriate columns of the Stock Register. Cases in which indents for Indian Postal Orders are made by telegram should be reported to the Head of the Circle when it appears that such telegram could have been avoided by the exercise of proper foresight.

**615.** The indents received from the Postmasters are, in the first place, sent to the Audit Section concerned for verification of the figures as to balance and sale noted by the Postmasters. They are then submitted to the Gazetted Officer in charge and when orders for supply have been passed, the required number of Indian Postal Orders are taken out from the safe and an invoice prepared in triplicate by carbonic process, in form No. A. G. P. T.-303. The serial and consecutive numbers of each denomination of orders issued, are detailed in the invoice.

NOTE.—The stock should be kept so arranged that the orders issued may always be from the earliest supply received from the Central Stock

**616.** Triplicate copy of the invoice is kept as office copy duly filed with the indent and the other two sent to the Postmaster with the Indian Postal Orders detailed therein, under registered cover. One of these (i.e., the original copy) is received back with the Postmaster's acknowledgment and pasted into a guard file after verification with the entry made by the Audit Section concerned in the column provided in the Stock Register.

NOTE.—Remainder should be duly issued in cases in which the acknowledgment is not received within a reasonable time

**Returns.***Returns of Indian Postal Orders received in the Audit Offices.*

**617.** The following monthly returns of Indian Postal Orders are received in the Audit Office from Head Post Offices (*vide* Article 372 of the Posts and Telegraphs Initial Account Code, Volume I)—

- (1) List of Indian Postal Orders sold.
- (2) Abstract of payments of Indian Postal Orders with the paid orders.
- (3) Memorandum of unsold Indian Postal Orders in stock.

Soon after the 1st April of each year, a detailed list showing the serial numbers of Indian Postal Orders in stock is received from Post Offices (*vide* Rule 402/12 of the Posts and Telegraphs Manual, Volume VI).

It should be examined to see whether the Indian Postal Orders as detailed therein correctly work up to the total shown under each denomination and whether the total agrees with the closing balance under each denomination as

shown in the Memo. of Unsold Indian Postal Orders in stock for the month of March. The list should then be filed with the Memo.

NOTE.—If the list of Indian Postal Orders sold or the Abstract of Payments of Indian Postal Orders for any month is not received in sufficient time to admit of their being audited before the preparation of the Classified Abstracts, the credit or debits appearing in the Cash Account should be taken to the suspense head 'Credits suspended' or 'Debit suspended', as the case may be.

### Audit.

#### *Audit of the list of Indian Postal Orders sold.*

618. On receipt of each list, the total should be checked with the credit afforded in the monthly cash account of the Head Postmaster and the calculation of the value of each class of orders sold should be verified. The value and the commission should be classified under "Indian Postal Orders" and "commission on Indian Postal Orders". The former head is opened under "Deposits" while the latter is opened in Abstract 'B—Miscellaneous Revenues' under 'Postal Receipts—Receipts on account of Money Orders and British Postal Orders, etc.'

619. Short or excess credits exceeding annas two in the cash account, of the value of Indian Postal Orders sold should be held under objection and adjusted thus :—

The correct value should be credited to the proper head and (a) the amount short realised debited to "Advances Recoverable" in the accounts, (b) the amount realised in excess should be credited to "Fees and Other Receipts—Other items" in Abstract "B. I.—Miscellaneous Revenue" and entered in the inner column of the Objection Book. The items should be removed from the Objection Book on credits on account of (a), and debits on account of (b) being traced. In case of (b), if a refund cannot be made within a reasonable time, the amount will be removed from the Objection Book with the remarks "Removed, purchaser not traceable".

Differences in the Indian Postal Order accounts of sums *not exceeding* two annas on account of over-credits and short-credits or short-payments and over-payments should be treated in the manner laid down under the head "Objections", *vide* Article 626.

#### *Audit of the Abstract of Payments of Indian Postal Orders.*

620. The paid lists or abstracts of payments should be examined to see.—

- (a) that every entry in the Abstract of Payments is supported by paid orders to that value. If a paid order is not received with the list and its absence is not explained against the entry in the list, it should immediately be called for by telegram ;

- (b) that the full face value *plus* the value of the Indian Postage Stamps (*not exceeding three* in number), if any, affixed to the face of the orders to make up broken amount, agrees with the entry against the respective denomination in the Abstract of Payments ;
- (c) that the total value of any individual order including the value of the Indian Postage stamps affixed to the order does not exceed Rs 10 ,
- (d) that the total value of the Indian postage stamps affixed to the orders for making up broken amounts, agrees with the total shown in the abstract of payments , and
- (e) that the total amount paid as per Abstract, agrees with the charge in the monthly cash account.

NOTE.—The value of an Indian postage stamp for less than an anna affixed to Indian Postal Orders is not payable (*vide* Rule 402/18 of the Posts and Telegraphs Manual, Volume VI.)

**621.** The paid orders should be further examined in detail in the following manner :—

- (a) If the amount is paid to a person other than the payee named in the Indian Postal Order, the sanction of the competent authority [the Postmaster-General or the Superintendent of Post Offices, as the case may be, *vide* Rule 52/I (I) and Rule 127 (B) (1) of the Posts and Telegraphs Manual, Volume VIII] for payment, should invariably accompany the order and the number and date of sanction should be quoted on the paid order.
- (b) If the order is not genuine, or if the amount has been altered, or if it has been cut, defaced, mutilated or bears erasures or alterations or otherwise irregular, the amount thereof should be placed under objection under "Advances Recoverable" and the Postmaster asked to recover the amount from the party at fault ; the order should not be included in the return of Indian Postal Orders paid to be submitted to the Delhi Audit Office. If it was payable at another office, it bears the endorsement "Payee known to me" signed by the Postmaster.
- (c) In case the extra commission be not realised on an order paid after *three* months or if realised by short charge in the list of Indian Postal Orders paid, the order should be returned to the Postmaster with instructions to have Indian postage stamps for the amount equivalent to the commission affixed on the back of the order and to re-submit it to the Audit Office. In such cases the full amount of the order should be placed under objection as "Advances Recoverable".
- (d) The stamps affixed for making up broken amounts should be defaced in the Audit Office, and if they are affixed elsewhere than in the

space provided for the purpose on the face of the order, their value should be recovered from the Postmaster concerned.

NOTE.—The procedure for dealing with the short payments or over-payments *exceeding* two annas or *not exceeding* two annas has been outlined in Articles 619 and 626 respectively.

622. Indian Postal Orders repaid to the purchaser are treated in the same way as orders paid to the payees and are included in the monthly abstract of payments. They should be audited with reference to Rule 402/21 of the Posts and Telegraphs Manual, Volume VI.

623. If the amount of orders paid or refunded is irregularly charged in the Schedule of unclassified payments, it should be transferred to the Abstract of Payments of Indian Postal Orders and the irregularity pointed out to the Postmaster concerned.

In the case of an Indian Postal Order lost after payment, a certificate of payment by the paying Postmaster in the form prescribed in Rule 402/24 of the Posts and Telegraphs Manual, Volume VI, together with the Postmaster General's letter of authority for its issue should be accepted as a paid order.

624. The total amount of Indian Postal Orders paid (less the amount placed under objection and also less the value of the Indian Postage Stamps affixed to the Indian Postal Orders) should be classified under the head "Deposits—Indian Postal Orders", the total value of the Indian Postage Stamps affixed to the Indian Postal Orders being debited to the head "Deduct—Refunds" under "I—Joint Receipts (Postal and Telegraphs)" in Abstract A—Postage and Message Revenue.

#### *Audit of the Memorandum of unsold Indian Postal Orders.*

625. The memorandum of unsold Indian Postal Orders in stock in Post Offices received with the monthly lists of sales, should be checked by the auditor to see that the opening balance corresponds with the closing balance of the previous month. He should also see that—

- (i) the supply received, if any, agrees with the entries in the Stock Register (*vide* Article 613), he will then fill in the column provided for "Entries to be made by the Audit Section" in the register;
- (ii) the sales agree with the corresponding entries in the list of Indian Postal Order sold;
- (iii) the balance of orders shown as in stock under each denomination agrees with the total of the numbers shown against the heads "Orders unsold in Head Office" and "Orders unsold in Sub-offices" under that denomination.

After an arithmetical check, the memorandum together with the sale list should be filed with the cash account.

#### *Objections.*

626. The procedure for raising, communicating and adjusting objections detected in the course of audit and maintenance of objection books, etc., is

the same as laid down in Chapter 20 of Posts and Telegraphs Audit Code, Volume I (General Audit Code).

Differences in the Indian Postal Order accounts of sums *not exceeding* two annas on account of over-credits and short-credits or short-payments and over-payments need not be included in the Objection Book. They should nevertheless be included in the Objection Statement with a warning to the Postmaster to avoid such irregularities in future. Over-credits or short-payments on Indian Postal Orders *not exceeding* two annas should be noted in a register in Form A. G. P. T.-414 for each Postal Circle and the total amount adjusted by monthly transfer entries to the credit of "Fees and other receipts—other items" in Abstract B—Miscellaneous Revenue by debit to 'Deposits—Indian Postal Orders'. Short-credits or over-payments on Indian Postal Orders should be noted in a separate register in Form S. Y.-265. The total amount should be adjusted monthly by debit to 'Abstract J—V.—Miscellaneous Postal Expenses, Losses, etc., written off—Irrecoverable Over-payments' and credit to 'Deposits—Indian Postal Orders'. The two registers should be submitted monthly to the Gazetted Officer in charge through the Senior Accountant for review. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster's special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster's carelessness.

#### Miscellaneous.

##### *Indian Postal Orders lost or stolen from the stock of a Post Office.*

627. On receipt of reports of loss or theft of Indian Postal Orders in the Delhi Audit Office from Postmasters (*vide* Rule 402/13 of the Posts and Telegraphs Manual, Volume VI) or from an Audit Office, the bundles of the Indian Postal Orders paid should be examined to see whether the missing orders have been paid or received as spoilt or unclaimed. If not, the fact should be brought to the notice of the heads of the Circles so that the latter may issue instructions to all Postmasters prohibiting their payment.

628. If payment of any such missing order or orders is traced, the order or orders should be examined and forwarded to the Head of the Circle for an investigation of the fraudulent payment, placing the amount under "Advances Recoverable" in the Objection Book.

629. Sums recovered from the postal official responsible for the loss of the missing orders are credited by Postmasters as "unclassified receipts" and should be brought to account under "Fees and other Receipts—other items" in Abstract B. I.—Miscellaneous Revenue—Missing Indian Postal Orders. should continue to be shown in the stock until the Head of the Circle concerned after making necessary enquiry and being satisfied about the loss of orders, forwards a final report to the Home Audit Office, which will then direct the Postmaster concerned to remove the orders from his stock, by an entry in red



ink in his list of Indian Postal Orders sold without including the value of the orders in the total of the list. No write-off of value is necessary.

*Disposal of the 'Spoilt' and 'Unclaimed' Indian Postal Orders received from Postmasters, etc.*

630. Spoilt and unclaimed Indian Postal Orders when received in the Audit Office, either from Postmasters or from any other source, must be treated as "valuables" and made over to the section concerned through the register of valuables kept in the Record Section. (They should reach the Audit Office in separate registered covers marked "important" in red ink, and when this is not the case, the irregularity should be brought to the notice of the sender).

631. If the serial and consecutive numbers of the orders returned by Postmasters are detailed in the letter accompanying them or in a separate invoice, the orders should be checked with the entries in the letter or the invoice and an acknowledgment (in the prescribed form) signed by the Gazetted Officer in charge, sent to the Postmaster. If no details are given in the letter or no invoice is received, a suitable list should be prepared in manuscript and the omission pointed out to the Postmaster.

632. Spoilt Orders received either with the list of orders sold or otherwise should be entered in a manuscript register in the form prescribed below which should be submitted to the Gazetted Officer for orders and attestation of the entries made therein. If the reasons stated by the Postmaster for treating the orders as 'spoilt' are found by the Gazetted Officer to be satisfactory, the orders should be forwarded to the Delhi Audit Office with a covering memorandum which should be enclosed in a separate service envelope, registered and superscribed "Important" in red ink, the number and date of the forwarding memorandum being cited in the last column of the register referred to above. Cases which reveal carelessness or rough handling of orders in Post Office or where the explanation of Postmasters treating the orders as 'Spoilt' is not satisfactory, should be reported to the Head of the Circle concerned.

*Register of Spoilt Indian Postal Orders.*

Date of receipt	From whom received.	Serial No. (with index No and letter) of Orders	How Spoilt.	Value.	Accountant's remarks.	Gazetted Officer's orders.	No. and date of Memo. forwarding the order to the Delhi A. O.

*Register of Spoilt Indian Postal Orders.*

No. and date of the memorandum with which the Indian Postal Orders received	From whom received.	Serial No (with index number and letter) of the order	Value.	Placed in paid bundles by me on		Remarks.
				Initials of the I P O. clerk	Date.	
1	2	3	4	5	6	7

*Register of unclaimed Indian Postal Orders.*

[illegible]

*Register of unclaimed Indian Postal Orders.*

No. and date of the memorandum with which the Indian Postal Orders received.	From whom received	Serial No (with index No. and letter) of the Order	Office of Issue	Date of Issue	Name of the payee as noted in the Order	Office of payment as noted in the Order	Value	Initials of Certified Officer.	Placed in paid bundles by me on	Remarks.
								Date	Initials of I. I. O. Clerk	

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Accountant in charge of the Audit Section who should see that the total value of payments (excluding the value of postage stamps affixed to the Indian Postal Orders) is correct with reference to the face value of the total number of the Indian Postal Orders paid, and agrees with the booked figures and mark the statement "agreed with Detail Book" under his initials.

637 The Statement group should prepare a consolidated statement (in Form A. G. P. T.-483) showing the total *value* of Indian Postal Orders paid for all the Postal Circles under the jurisdiction of the Audit Office and arrange the paid orders for all the postal circles together according to the serial numbers and index number and letter of each series for each denomination separately. The statement together with the arranged paid orders should, after effecting agreement of the figures in the former with the debits in the detail book, be despatched to the Delhi Audit Office on the 27th of the month following that to which the statement relates.

638. The Audit Office should be careful to see that every paid order the value of which is included in the statement is sent to the Delhi Audit Office. When it is found absolutely necessary to detain a paid order on any account, its amount should not be included in the statement of paid orders until the order is actually despatched. The amount of the order so detained should be placed under objection under "Advances Recoverable". When the value of the order is subsequently included in the statement and actually despatched, its face value should be debited to the head "Deposits—Indian Postal Orders" and the value of the Indian postage stamps (if any) affixed thereto to the Head "Deduct—Refunds" under "I—Joint Receipts (P. & T.)" in Abstract A.—Postage and Message Revenue, by credit to the head "Advances Recoverable".

639. In the Delhi Audit Office, the statements received from Branch Audit Offices should be entered in the register of valuables kept in the Record Section and made over to the Indian Postal clerk together with the Paid orders. The Indian Postal Order clerk should count the paid orders and tick off the numbers entered in the statement under each denomination. The statement should be marked "checked" under the initials of the Indian Postal Order clerk and filed under the orders of the Gazetted Officer.

640. The paid orders received from the Branch Audit Offices and those paid by Post Offices in the jurisdiction of the Delhi Audit Office should be arranged together for the whole of India and Burma according to the serial numbers of each series of the index number and letter for each denomination separately. This work should be completed by the end of the second month following the month to which the Indian Postal Orders paid relate. The paid orders should then be kept in an *Almirah* in separate bundles for each denomination serially arranged irrespective of the month of payment.

641. Soon after the Indian Postal Orders paid during March have been arranged in bundles in the manner indicated in Article 640, each bundle should

be examined by the Indian Postal Order clerk and the Indian Postal Orders running in unbroken consecutive numbers, segregated in separate bundles for each denomination for destruction after one year, *e.g.*, the bundle of Re. 1 denomination contains paid orders from 1 to 1206, 1210 to 1599, 1620 to 1650 and so on. The paid orders from 1 to 1205 should be separated for destruction and as soon as the wanting paid orders, *viz.*, 1207 to 1209 are received the paid orders up to 1598 should be transferred to the bundle prepared for destruction. Before destroying the Indian Postal Orders they should be entered in a register in the following form and orders for destruction obtained from the Deputy Accountant General.

Denomination.	Serial Number.	Date of Destruction.	Initials of G O

### Verification of stock.

#### *Central Stock.*

**641-A.** The Central Stock of Indian Postal Orders should be verified annually by a Gazetted Officer of the office of the Deputy Accountant General, Posts and Telegraphs, Delhi, who is not connected with the work relating to the stock of Indian Postal Orders with the help of 3 or 4 auditors. This verification will generally be done in July when the balance is at its lowest.

A certificate of completion of the verification should be sent to the Accountant General, Posts and Telegraphs, within a week after the verification. The office of the Accountant General, Posts and Telegraphs, should watch that the certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

#### *Audit Office Stock.*

**642.** On the last day of each month, the stock of Indian Postal Orders in the Branch Audit Offices should be verified by the Gazetted Officer in charge with the balance shown in the Stock Register which will be initialled by him.

**643.** In addition to the usual monthly verification, an independent verification of the stock of Indian Postal Orders in the Branch Audit Offices should also be carried out annually on the 31st March each year either by the Deputy

Accountant General himself or by one of his Gazetted Officers other than the Gazetted Officer in charge of the stock and a certificate to that effect forwarded to the Accountant General, Posts and Telegraphs, so as to reach his office by the first week of April. The office of the Accountant General, Posts and Telegraphs, should watch that the certificates are received by the due date. Certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled

*Stock in Post Offices.*

644. At the time of inspection, Superintendents and Inspectors of Post Offices are required to send to the Audit Office a memorandum showing the balance at the end of the month preceding his visit, subsequent receipts and sales up to the date of visit, and the balance in stock on that date, with a certificate that the stock and accounts were found to agree, *vide* clause (4/1) to Rule 239 of the Posts and Telegraphs Manual, Volume VIII. The memorandum should be checked with the return of the corresponding period received from the Post Office, any discrepancy being reported to the Head of the Circle.

## CHAPTER 9—CUSTOMS DUTY ON POSTAL PARCELS, ETC.

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### Introductory.

**645.** The rules for the assessment and realisation of customs duty on Postal parcels and letters (both inward and outward) will be found in Chapter I of the Posts and Telegraphs Manual, Volume VI. The rules for the accounting of customs duty realised at Post Offices are given in Chapter 8 of the Posts and Telegraphs Initial Account Code, Volume I.

### Inward Foreign Mail Articles.

**646.** Letter Mail articles and postal parcels are received for delivery in India from foreign countries with which arrangements exist for their exchange. These articles and parcels are called inward foreign mail articles and inward foreign parcels. They are received only through certain offices called the offices of Exchange, which are located at Bombay, Calcutta, Madras, Karachi, Madras, Negapatam, Pondicherry and Chittagong.

Articles of the Letter Mail posted in Kathiawar addressed to places in Sind, Punjab, Rajputana, Gujrat and the Ahmedabad District are received at Viramgam for Customs examination. The Customs transactions of the Viramgam office are incorporated in the accounts of the Bombay Office of Exchange.

**647.** As the inward foreign parcels and articles of Letter mail may contain dutiable articles, their contents are examined by the Customs Department before they are transmitted by the offices of Exchange to their destination.

In the matter of the clearance of articles through the Customs and the realisation of the amount of Customs duty from the addressees, the Indian Post Office acts as an agent of the Customs Department and receives as fee for its services a commission of 3 per cent. calculated on the total customs duty realised through the Post Office *vide* Article 297 of the P. & T. Account Code. The department also gets commission at the rate of 3 per cent. on the net sale proceeds of abandoned inward foreign parcels returned by the offices of exchange to Customs Department.

The rules governing the procedure relating to the assessment of articles to Customs Duty are contained in the Foreign Post Manuals, Volumes I and II.

648. From 1st October 1930, the audit and accounting work in connection with Customs Duty and other charges realised by the Post Offices on inward foreign parcels and articles of Letter mail has been centralised and is conducted by the Deputy Accountant General, Posts and Telegraphs, Nagpur, on behalf of the Accountant General, Posts and Telegraphs. The amount of Customs Duty and other charges are recovered in cash on delivery of parcels and articles and credited in the accounts of the Post Office under the head "Customs duty receipts". In the case, however, of Indian States which have been authorised to use Service Postage stamps, and of all Government officials, the practice hitherto followed of paying Customs Duty by means of Service Postage stamps has been allowed to continue.

649. The amount of Customs Duty levied on dutiable articles is claimed by the Civil Department on the basis of the amount assessed by the Customs authorities and not on the actual amount realised by the Post Office on delivery of the articles. The duty of audit consists, therefore, in seeing that not only the Customs duty assessed on each article is correctly recovered from the addressees and accounted for by the offices of delivery but also that the P. & T. Department gets a write back of customs duty from the Civil Department in respect of:—

- (i) articles assessed to duty but subsequently redirected out of India or returned as undelivered,
- (ii) articles intercepted and destroyed by the Postal authorities owing to prohibition of their transmission by inland post;
- (iii) articles assessed to duty but subsequently revised before delivery to the addressees;
- (iv) articles assessed to duty but subsequently found to be undeliverable and treated as abandoned on receipt of instructions from the senders.



### Returns due and dates for their submission to Audit.

650. The following accounts of Customs Duty transactions are rendered to the audit office.

Description of return.	By whom rendered.	Whether submitted weekly or monthly	Date of submission.
(a) Parcel Bills	Office of Exchange	Weekly	By the end of the corresponding week of the month following that to which the bills relate
(b) Letter Mail Register	Do	Do	Do.
(c) Customs Bills (with statement of adjustments and write-back lists)	Do	Monthly	25th of the month following that to which the bills relate
(d) Schedules of Customs Duty with Parcel Receipts and Assessment Memos.	Head Office	Do	10th of the month following that to which the schedules relate.

NOTE.—The Parcel Bills of the Pondicherry and Chittagong Offices and the Letter Mail Register of Calcutta Office of Exchange are received monthly

### Due Dates for completion of Audit.

651. The due dates for completion of the audit of Parcel Bills, schedules, etc., are as follows:—

Item of Work.	When due for completion.
(a) Audit of Parcel Bills, Letter mail Register and Customs Bills	25th of the second month following.
(b) Audit of Schedules of Customs Duty	10th of the second month following.
(c) Credit check	25th of the third month following.
(d) Check of write-back lists	25th of the second month following.
(e) Check of Duty Prepaid Parcel Bills and detailed statements.	Do.

### Audit of the Parcel Bills Letter Mail Registers, Statement of Detained articles Abstracts and Customs Bills.

652. The inward Foreign Parcel Bills and Letter Mail Registers, etc., are received in the Record Section and made over to the Customs Duty Section through a transit register. These bills and registers show among other particulars required for the purpose of assessment:—

- (i) The name and address of the addressee.
- (ii) Local Number.
- (iii) Amount of Customs Duty.

The total of each page of the Parcel Bills and Letter Mail Registers shown on the bills as well as in an abstract in Form No. F.P.-29, which is prepared separately and submitted with the Parcel Bills, etc.

**653.** On receipt of the Parcel Bills, etc., in the section, they should be made over to the machine operator who should check the totals given in each page and agree the same with the amount shown in the abstract, the total of which should, in its turn, be also checked. The operator should note down the errors in the totals in a register showing the irregularities detected by the Machine operator and mark the bills as checked under his initials with date.

After this work is completed, the documents should be made over to the Parcel Bill clerk who should verify in lump the total of the abstract with the total gross amount claimed in the Customs Bill. If in the course of agreement any discrepancy is noticed, the Parcel Bill clerk should locate the difference and issue a communication in Form No. A. G. P. T.-479 to the Postmaster. An objection statement should be issued only when it is found on receipt of a reply to the communication that the mistake affects the amount claimed in the Customs Bill. The fact of agreement should be recorded on both the documents under the initials of the Parcel Bill clerk with date.

**654.** After the audit is over, the Parcel Bills, etc., should be arranged according to the serial order of the Local Numbers and stitched together in parts of convenient size inside a wrapper and docketed. The docket should show the name of the office of Exchange, the month of assessment, the number of the volume and the first and last local Number. The correctness of the last local number of the month should be verified by reference to the Number shown by the Offices of Exchange on the first page of the Parcel Bill of the following month. There should be no break in the series of numbers. If there is a break, the irregularity should be pointed to the office of Exchange through the half-margin Memorandum of Customs Duty irregularities in Form A. G. P. T.-479. The checker should see that the date stamp of the office of Exchange is impressed on the right hand corner of the Parcel Bills and that the Parcels and articles assessed to duty in a different month are not included in the Parcel Bills, etc., under check. The checker should mark the document as checked under his initials with date.

**655.** The Customs Bill shows the total amount of Customs Duty assessed during the month as shown in the Parcel Bills, Letter Mail Registers, etc., in addition, it also contains "deduct" and "add" adjustments on account of the discrepancies of the previous month, the "deduct" debits of Customs Duty and the customs duty assessed on parcels and Letter Mail articles of the previous months which were detained for later customs examinations. The net amount of the Customs Bill is debited to the Post Office in the Exchange Account with the Civil Accountant General of the Province in which the office of Exchange is situated.

The Customs Bills are adjusted as follows :—

The net amount of the Bills are adjusted by debiting "Advances Recoverable Customs Duty on Inward Foreign Mail Articles" and crediting (a) "Exchange Accounts between Civil and Posts and Telegraphs" Account between

- |                                                                                                             |                                                            |
|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| (i) Accountant General, Bombay and the D. A. G. P. & T. Nagpur—Items adjustable by P. & T. Miscellaneous    | In the case of Customs Bills of Bombay Office of exchange. |
| (ii) Comptroller, Sind and the D. A. G. P. & T. Nagpur—Items adjustable by P. & T. Miscellaneous.           | Do. of Karachi                                             |
| (iii) Accountant General, Bengal and the D. A. G., P. & T. Nagpur—Items adjustable by P. & T. Miscellaneous | Do. of Calcutta and Chittagong.                            |

and (b) "Posts and Telegraphs Remittances Madras Audit Office" in the case of the Customs Bills of Madras, Madura, Negapattam Offices of Exchange.

NOTE.—As the amount of Customs Bill of Pondicherry office of Exchange is paid in cash to the Customs Department, the Customs Bill of that office is adjusted only on receipt of the Advice of transfer from the Deputy Accountant General, Posts and Telegraphs, Madras, by debiting "Advances Recoverable Customs Duty, etc." and crediting "Posts and Telegraphs Remittances Madras Audit Office"

The amounts deducted from the Customs Bills on account of writes-back of debits of Customs Duty are adjusted by debiting "Advances Recoverable Customs Duty on Inwards Foreign Mail Articles" and crediting "Deposits—Refund of Customs Duty on Inward Foreign Mail Articles" and the writes back lists made over to the auditor in charge of write-back statement and his acknowledgment obtained. The amounts added to or deducted from the Customs Bill on account of discrepancies should be adjusted to the adjusting heads of account, *viz.*, "Deposits—Short Debit or Excess recovery on account of Customs Duty Realisation" and "Advances Recoverable—Excess Debit or Short recovery on account of Customs Duty Relisation." The Adjustment sheets should be made over to the objection Book Auditor under receipt for further action.

656. After the completion of the audit of the parcel Bills, Letter Mail Registers, etc., and the Customs Bills, the totals of the Parcel Bills, Letter Mail Registers, Statements of Detained Parcels and articles and the amount of Customs Bills should be entered separately for each office of Exchange in a register showing the reconciliation of Parcel Bills, etc. with Customs Bills. The action taken for the difference if any, should be noted in the register. The register should be submitted to the Gazetted Officer through the Accountant for review on the 25th of every month.

657. The gross amount of the Customs Bill, amount of writes-back of Customs Duty and the net amount claimed by the Customs Department should be entered in a register and the month in which the Customs Bill is adjusted should be noted in the column provided for the purpose in the register. This register should be submitted to the Gazetted Officer through the Accountant for review on the last day of each month.

### Audit of Schedules of Customs Duty.

**658.** Each Head Post Office will submit to the Nagpur Audit Office direct a schedule in form No. A. C. G. 90 called "Schedule of Customs Duty and other charges" realised in cash on inward foreign parcels and articles of letter mail. All the schedules are due to be received on or before the 10th of every month. Even when there are no recoveries of Customs Duty, etc., in a month "nil" schedules will be received. The schedules when received will be transferred by the Record Section to the Customs Duty section through a transit register under receipt. In case the schedules are not received in time, the auditor, Schedule Check Group should issue telegraphic calls for the same.

**659.** The Schedule contains details of the date of the recovery of Customs duty, the local number, the name of the addressee, the amount of Customs duty, etc. The money columns of the Schedule are totalled daily and the total is transcribed in the Abstract of daily totals which accompanies the schedule. The parcel receipts and assessment memos accompany the schedules arranged in the order of the entries in the schedules and according to the month of assessment to which they relate.

**660.** The examination of the Schedules is conducted in three stages, namely—

- (i) the arranging of parcel receipts and assessment memos. in suitable batches,
- (ii) the totalling, by machine, of the amount of Customs Duty as shown on the parcel receipts and assessment memos, and
- (iii) the reconciliation in lump of the totals of the schedules with total of parcel receipts and assessment memos. as obtained on the machine.

### Arranging of Parcel receipts and assessment memos.

**661.** On receipt in the section, the auditor will make over the schedule with bundles of Parcel receipts and assessment memos. and Abstracts to the arranger through a distribution register under receipt. The arranger should arrange the Schedules and the bundles of the Post Offices in a Postal Circle alphabetically and then separate the schedules and the bundle of receipts and memos. of the different months of assessment. He should in the course of arrangement issue calls for wanting schedules or bundles of receipts and memos. He should group the receipt and memos. in convenient batches of hundreds each, separating slips being used to prevent the different batches being mixed up. Any irregularities noticed by him in the preparation of schedules and receipts and memos. should be communicated to the Postmaster through the printed Half Margin in use—Form No. A. G. P T.-479.

**662.** When the arranging of receipts and memos. is completed the arranger should place a slip (Form No. A. G. P. T.-489) showing the office of delivery, month of assessment, month of recovery and the number of receipts and memos. on the top of each bundle containing not more than 1,000 vouchers, the

number of receipts and memos. in each bundle being ascertained by actual count. The schedules and abstracts should be made over to the auditor for safe custody so that the machine operator may not have access to them. The arranger should prepare a consolidated statement showing the number of Parcel receipts and Assessment memos. in each bundle for each circle. A separate statement should be prepared for each month of assessment. The entries in the memo. will be made from the details on the slips kept on the top of the bundles. The bundle of receipts and memos. should then be made over to the machinist.

#### Totalling by machine.

**663.** On receipt of bundles of arranged receipts and memos the machine operator will proceed to total the amount of Customs duty as shown on the receipts and memos. Whenever a separating slip is reached or the last batch in a bundle is finished the machine should be stopped and the totals as recorded therein should be noted on a piece of paper of convenient size. The local number borne by the first and last receipt or memo. should be noted against the total to facilitate reference by the reconciler.

**664.** The Machine operator should bring to the notice of the auditor all cases in which the month stamp of assessment is absent, memorandum of Customs Duty realised on outward foreign parcel has been misdirected, there is defective and incomplete preparation of duplicate receipts and memos and disarrangement of receipts and memos. by the arranger. ."

**665.** The auditor should notice these irregularities to the offices concerned using the printed Half Margin Memoranda Form (No. A. G.P. T.-479).

The bundles of receipts and memos. with the slips containing the machine totals should then be made over to the reconciler.

#### RECONCILIATION.

**666.** On receipt of bundles of receipts and memos. together with the slips showing machine totals, the reconciler should first compare these totals with the totals shown by the Postmasters in the Abstracts and note the discrepancy, if any, in red ink in the slips prepared by the operator. The items that are reconciled should be ticked off in the Abstract in token of check.

**667.** The reconciler will then settle the discrepancies between the operator's total and the Abstract total which are generally due to the reasons noted below :—

- (i) Excess totals by the operator over the Postmaster's totals are due to—
- (a) Payment of Customs Duty, etc., by affixing postage stamps instead of in cash. In these cases the operator will include the amounts in his totals while there will be no corresponding credit in the schedule.

- 
- (b) Inclusion in the machine total by the operator of certain receipts and memos, though received along with the schedules do not relate to the month of recovery under audit.
  - (c) Short credit in the schedules in respect of any particular receipt or memo.
  - (d) Mistakes in totals made by the Postmasters in the Schedules.
  - (c) Mistakes in the total made by the machine operator. This may be due to bad operation or to indistinct or illegible figures or to mistakes in singling out the amount of Customs Duty from other items of recoveries shown on the receipts and memos.
  - (f) Wrong posting by the Postmasters of the amount of Customs Duty in the column for postage, etc.
  - (ii) Shortage in operator's totals are due to—
    - (a) Wanting receipts or memos.
    - (b) Adjustment of short realisation of Customs Duty in the Schedules instead of showing it as an item of unclassified receipt.
    - (c) Mistakes in totals made by the Postmasters.
    - (d) Mistakes in totals made by operator.
    - (e) Excess credit in the Schedules in respect of any particular receipt or memo.
    - (f) Wrong posting by the Postmasters of the amount of postage, etc., in the column for Customs Duty recoveries.
  - (iii) Discrepancies, short or excess, may also occur on account of mis-arrangement of receipts and memos. by the arranger. Such discrepancies are generally settled with the corresponding excess or short total in some other batch or batches.

668. After noting the discrepancies the reconciler should locate the mistake, ascertain its nature and then compare the entries in the Schedules with the relevant receipts and memos, in respect of the batch in which there is a discrepancy. In this way the discrepancies should be settled. The short or excess totals by the Postmasters or by the machine operator can be settled by checking the totals of the schedules by mental process. The manner of settlement of each discrepancy should be noted on the reverse of the relevant manuscript slip prepared by the operator.

669. In addition to reconciling the discrepancies, the reconciler is required

- 
- (a) prepare check slips for wanting receipts or memos. and issue calls for the same :

- (b) notice erroneous addition of amount of Customs Duty in the Schedules of Customs Duty in adjustment of discrepancies;
- (c) note in cases of excess or short credit on the parcel receipt or memo concerned, the actual amount credited in the schedules for the guidance of the credit checker, and
- (d) make over receipts and memos, bearing postage stamp, in payment of Customs Duty to the auditor for purposes of making necessary account adjustment, receive them back and keep them in the bundle.

670. The auditor should fully review the work of reconciliation. He should also check daily in detail five items of discrepancies noted by the reconciler and enter the same in the review register kept by him.

671. After the Abstracts have been agreed with the operator's slips as detailed above, the reconciler should consolidate the figures of all post offices in each Postal Circle in Form No. A. G. P. T-486, classified according to different months of assessment. The auditor should record a certificate of agreement of the figures for each circle with the amount actually credited in the accounts. In the case of Home postal Circles, the Postal Accounts Sections of the office will send to the Customs Duty Section on the 25th of every month, statements showing the amount of Customs Duty and other charges credited in the cash Accounts. In the case of Foreign Postal Circles, similar statements will be received from the Delhi, Calcutta and Madras Postal Audit Offices by the 30th of the month following that to which the recoveries relate.

672. As all the transactions relating to the realisation of customs duty and other charges are adjusted in the books of the Bombay Circle, the auditor should make the following clearing transfer entries monthly in regard to the recoveries effected in the Sind and Baluchistan and Central Circles as communicated by the Postal Account Sections.

Dr.

Transfers within the Postal and Telegraphs Circles under the jurisdiction of the same Audit Office.

(1) Posts and Telegraphs Remittances

To

Cr.

Advances Recoverable—Customs Duty on inward foreign Mail Articles.

He should make the following adjustments in respect of the statement of recoveries received from other audit offices.

Dr.

Transfers to Posts and Telegraphs Circles under the jurisdiction of other audit offices.

Posts and Telegraphs Remittances (Delhi, Calcutta and Madras).

To

Cr.

Advances Recoverable Customs Duty on inward foreign Mail Articles.

The amount realised on delivery of parcels and Letter Mail articles not only represents Customs Duty but also includes other postal fees. It will therefore be necessary to transfer the credits on account of postal fees to the head "Abstract A II-Postage and Message Revenue—Postal Receipts—Postage realized in cash" from the head "Advances Recoverable, Customs Duty etc.", to which it was originally taken. These miscellaneous postal receipts are not audited but collected in the Register of classification of credits and accounted for separately.

673. Objection statements, where necessary, should be issued by the auditor, schedule check group in respect of discrepancies noticed between the audited Abstract figures and the amount credited in the cash Account.

674. The register showing the classification of recoveries of Customs Duty according to different months of assessment should be posted by the auditor, Schedule check Group, from the agreed circle compilation sheet mentioned in Article 671. The register should be closed monthly and submitted to the Gazetted Officer in Charge for review through the Accountant on the 25th of the second month following that to which the recoveries relate.

**Sorting of Parcel Receipts and Assessment Memos.**

675 The work of sorting receipts and memos. is done in five stages.

*First Stage.*—Counting receipts and memos.

*Second Stage.*—Sorting them according to offices of Exchange.

*Third Stage.*—Sorting according to thousand serials.

*Fourth Stage.*—Arranging according to serial Local Number of receipts and memos.

*Fifth Stage.*—Counting, bundling and labelling.

676. One receipt of the bundles of Parcel Receipts and Assessment memos. with the memo. showing the number made over to the Sorting Group the senior sorter should verify the number shown on the slip placed on the top of each bundle with the corresponding entry in the memo. Form No. A. G. P. T.-487. The sorter should verify by actual count the number of receipts and memos. noted on the slips. The sorter should then proceed to sort the receipts and memos. in the order mentioned above.

677. After the several stages of sorting indicated above have been gone through, the serially sorted receipts and memos. relating to each office of Exchange and for each month of assessment will finally be counted by hundreds, placed crosswise and bundled, the total number in each bundle being noted on a slip in Form (A. G. P. T.-490) placed at the top which (the Form) will show (2) the



name of the office of Exchange, (ii) the month of assessment, (iii) the number of receipts or memos, (iv) the month of delivery, and (v) the initials of the sorter.

678. The total number of receipts or memos, relating to each office of Exchange, as shown on the bundle slips, will then be posted by the Senior sorter in a broadsheet. A separate broadsheet should be used for each month of assessment.

The serially arranged bundles for each office of Exchange together with the respective broadsheets will then be made over to the credit checking Group for audit. The Sorting work should be completed by the 10th of the third month following that to which the receipts and memos relate.

679. In order to ensure that all the receipts and memos originally received in the Sorting Group have been made over to the Credit Checking Group, the auditor in charge of the Sorting group will compare the number of receipts transferred and entered in the Sorting Broadsheet with the number entered previously in the memo, received from the Schedule Check Group. The difference between the two figures will be explained in a separate sheet of paper and submitted to the Gazetted Officer in charge for review through the Accountant on the 12th of the third month following the month of account.

680. A progress Report in Form (A. G. P. T.-484) should be maintained for the work done by the sorters. The report should be filled in daily by them at the close of the day's work.

#### **Audit of the Statement of Writes-back of Customs Duty.**

681. The Customs Duty assessed on Inward Foreign parcels and Letter Mail articles which have been redirected out of India or returned to the senders as undeliverable are written back by the Customs Department. For this purpose, the offices of Exchange prepare monthly statements showing details of such parcels and articles and forward them to the Collector of Customs for sanctioning the write-back of duty. The credits due to the Post Office on account of reassessment of duty before delivery of the articles to the addressees are also included in the above statements. The Collector of Customs after examining the statements sanctions the write-back of duty on the articles included in the statements and returns them to the Offices of Exchange. The Offices of Exchange include the total amounts of these statements in the Register of Writes-Back of Customs Duty allowed on Postal Parcels and Letters and forward the same along with the statements and the write-back orders sanctioned by the Collector of Customs as vouchers in support of the claim of the Post Office against the Customs House for abatement of duty to the extent of the total "writes-back" granted in the month. The Collector of Customs affords credit for these amounts by deducting them from the total amount of the Customs Bill (i.e.) writes back the Customs Duty previously debited to the Post Office.

These statements are called "Statements of write-back of Customs Duty" and are received along with the Customs Bill by the 25th of the month following that to which the statements relate.

682. On receipt of the statement, the Auditor should check and mark the items in the respective Parcel Bills, Letter Mail Registers and the statement of detained articles or the Search Bill Registers (Register of Unchecked Items) with the letters "W. B. (month of the statement)" indicating thereby that credit has been afforded by write-back of the debit of Customs Duty. The corresponding entries in the statement should also be ticked off in coloured pencil. If in the course of check any discrepancy is noticed between the debit and the credit, it should be settled either by correspondence with the Office of Exchange concerned or by the issue of an audit memo. An abstract of the credits classified according to different months of assessment should be prepared on the back of the Statement relating to each Office of Exchange. When the statements of all the offices of Exchange are completely checked in the manner detailed above, the abstracts should be posted in a register showing the adjustment for write back of Customs Duty classified according to months of assessment and totalled. The register should be closed and the following adjustment made to clear the amount which was originally credited to the head "Deposits—Refund of Customs Duty on Inward Foreign Mail Articles".

Dr.

*Deposits.*—Refund of Customs Duty on inward foreign mail articles.

Cr.

- (i) *Advances Recoverable.*—Customs Duty on Inward Foreign Mail Articles.
- (ii) *Advances Recoverable.*—Excess Debit or short recovery on account of Customs Duty Realisation.
- (iii) *Abstract J. V.*—Losses, etc., written off.
- (iv) *Abstract B.-I.*—Fees and Other receipts—Other Items.

The register should be closed and submitted to the Gazetted Officer through the Accountant for review by the 25th of the second month following that to which the statements relate.

683. A register of deposits is maintained in Form No. A. G. P. T.-70 in which the credits are shown for each office of Exchange with sufficient particulars. The debits as subsequently adjusted should be posted against the items concerned in the columns for the months in which the debits were adjusted. A broadsheet in Audit Code Form No. 64 should also be maintained through which the total credits and debits should be verified with the booked figures every month, the difference between the two sets of figures, if any, being explained below. The register and the Broadsheet should be closed on the 7th of the second month following the month of account and submitted to the Gazetted Officer through the Accountant for review. The items outstanding in the register for more than three months should be shown with full particulars of action taken for their adjustment.

### Check of Duty prepaid Parcel Bills and Detailed Statements.

**684.** The offices of exchange prepare monthly separate Parcel Bills for Inward Foreign Parcels, the Customs Duty in respect of which has been prepaid in the United Kingdom and forward them to the Audit Office by the end of the month following that to which the bill relates. The total of these bills should be checked on the comptometer and compared with the amount shown in the abstracts and Customs Bills.

**685.** A detailed monthly statement showing among other particulars, the local number, month of assessment, date of receipt of the parcel in India, the amount of customs Duty in rupee and sterling currency and the rate of conversion of the Duty Prepaid Parcels is prepared by each Office of Exchange and sent to the Superintendent, Foreign Post, Bombay, for claiming the amount shown therein in the United Kingdom General Account. The Superintendent, Foreign Post, Bombay, forwards these statements to the Audit Office after claiming the amount in United Kingdom General Account. On receipt of the statement in the Account Current Section with the General Account, the total of the sterling amounts of the statement is converted into rupee currency at the flat rate of 1s 6d a rupee and credited to the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" and the statement made over to the Customs Duty Section for totalling and audit.

**686.** On receipt of the statement in the Customs Duty Section the total of the amounts in rupee currency will be checked by the Comptometer Operator after which the Auditor of the Write-back Statement should see that the Customs Duty and Postal fee of each parcel shown in rupee currency have correctly been converted into sterling equivalent at the rate of exchange applicable to the payment of Inward Foreign money orders on the date of receipt of the parcels in India and that the amount claimed in the General Account is correct.

**687.** The amount of Customs Duty shown in the statement in rupee currency, in respect of each parcel, should be checked with the amount of Customs Duty shown in the Duty Prepaid Parcel Bill and the difference, if any, reconciled.

**688.** Any difference between the total amount of the Duty Prepaid Parcel Bill and the amount previously credited by the Account Current Section to the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" should be adjusted as follows:—

If short credited, an adjustment should be made by debiting "Exchange on Remittance Account" and crediting "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles."

If excess-credited, the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" should be debited by deduction from credit and the head "Exchange on Remittance Account" credited.

With regard to the adjustment of Postal fees, the total of which has been credited to the head "Advances Recoverable—Customs Duty, etc.", the following transfer entry should be made in the Customs Duty Section.

Dr.

Advances — Recoverable—Customs Duty, etc."  
(deduct from credit)

Cr.

Abstract A.-II—Postage and Message Revenue—Postage realised in cash "

689. An abstract of the credits classified according to the different months of assessment should be prepared on the back of the statement relating to each Office of Exchange. When the audit of the statements relating to all the Offices of Exchange for a month is completed, the classified abstracts should be posted in a register showing the adjustment of the amount included in the Duty Prepaid statements. The register should be closed and submitted to the Gazetted Officer through the Accountant for review by the 25th of the second month following that to which it relates.

690. It sometimes happens that the credit for Customs Duty on a Duty Prepaid Parcel is erroneously afforded twice, i.e., it is included in the Duty Prepaid statement and again recovered in cash by the Post Office of delivery. In such cases, intimation of double recovery is sent to the Offices of Exchange for arranging the refund of Customs Duty erroneously recovered from the addressee, if after scrutiny, it is found admissible. If, however, the amount does not exceed Re. 1, it should be adjusted to the Revenue head "Abstract—B.I.—Fees and Other receipts—Other items". There is, however, no bar to the payment of the amount when claimed subsequently.

Short or excess credit of Customs Duty not exceeding Re. 1 noticed in the course of check of these statements are waived in the Audit Office and taken to the head "Abstract J. V.—Losses, etc., written off" and "Fees and Petty receipts" respectively.

691. After completion of audit, these statements for a month are filed in a guard file.

#### Check of Recoveries against Debits.

692. The checker will receive the bundles of parcel receipts and memos. from the Sorting Group after initialling the corresponding entries in the Sortings broadsheet in the column provided for the purpose.

693. In checking the receipts and memos., the checker should compare the local number of the article, the amount of Customs Duty and the month stamp of assessment as exhibited on the receipts or memos. with the corresponding entries in the Parcel Bill or Letter Mail Register and mark against the amounts in the latter, the letter of the alphabet assigned to him with a coloured pencil

in token of having credit-checked the receipts or memos. The entries in the Parcel Bills, etc., will be checked in different colours thus :—

*Blue.*—Indicating recoveries effected in the month of assessment.

*Red.*—Indicating recoveries effected in the next month.

*Green.*—Indicating recoveries effected in subsequent months.

**694.** The checker should note any difference discovered by him between the receipts or memos. and the debit in the Parcel Bill, etc., in either of the two columns provided for the purpose, in the form of the Parcel Bill, etc., and settle the discrepancies in the manner indicated below.—

For differences in Customs Duty amounts exceeding Re. 1 on account of short or excess realisation of Customs Duty an objection statement should be issued to the offices of Exchange pointing out the discrepancies.

Objection statements need not be issued for differences in Customs Duty amounts not exceeding Re. 1. Short realisation of Customs Duty should be recorded in a register in form No. S. Y.-265 (Register of amounts under objection waived or written off) and the total amount adjusted monthly by debit to "Abstract J. V. Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable overpayments" and credit to "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles". Excess realisations of Customs Duty should be entered in a register in Form No. A. G. P. T.-414 Register of items transferred to Fees and Other receipts. The total amount should be adjusted monthly by credit to the head "Abstract B—Miscellaneous Revenue—I Postal Receipts (b) Fees and Other receipts—Other items" and debit to "Advances recoverable Customs Duty on Inward Foreign Mail Articles" (by deduction from credit). The two registers should be submitted to the Gazetted Officer in charge through the Accountant on the 25th of every month.

**695.** Before issuing objections, the credit-checker should take into consideration any note previously made by the office against the entries either in the Parcel Bill or Letter Mail Register or on the receipts and memos. He should also refer to the latest Write-back statements, the Advance copies of write-back lists, the Register of Recoveries and Refunds (*vide* Article 721) and the statements of Adjustments to see whether an adjustment of the difference noticed by him has already been effected.

**696.** If the difference has not been adjusted in the documents referred to above an objection statement in Form (A. G. P. T.-491) should issue for each item of discrepancy, separately pointing out the difference between the debit in the Parcel Bill or Letter Mail Register and the recovery as shown on the Parcel receipt or the assessment memo. The Parcel receipt or the assessment memo. should be forwarded along with the objection statement, a check slip in Form (No. A. G. P. T. 488) being prepared and signed by the auditor and kept in the bundle.

*Misclassification of Recoveries.*

697. In the course of check of recoveries, the credit-checker may find receipts or memos. of a different month of assessment mixed up with the receipts or memos. under check. In such cases, the checker should remove the receipts or memos. from the bundle and note on them the month's bundle with which they were received. These receipts and memos. should be checked in the Parcel Bill and Letter Mail Register concerned and after check should be entered in a register showing the misclassification of recoveries of Customs Duty. The register should be totalled monthly and the totals incorporated in the Customs Ledger. The register should be submitted to the Gazetted Officer in charge through the Accountant for review on the last day of every month.

*Untraced Receipts and Memos.*

698. In some cases, the particulars furnished on the receipts and memos. are either defective or incomplete. The checker will not therefore be in a position to trace the corresponding debits in the Parcel Bills and Letter Mail Register without a reference to the Offices of delivery or to the offices of Exchange. Such receipts and memos. should be made over to the auditor for disposal. The auditor should issue references in all cases to elicit further information. On receipt of replies steps should be taken to trace the debits and remove the items from the register of untraced items through which their clearance is watched. The register should be closed monthly and submitted to the Gazetted Officer in Charge for review on the last day of every month.

699. The Broad sheets (received from the Sorting Group—*vide* Article 678) will be retained by the auditor, and filed according to the dates of their receipt after the credit check for the month is completed.

700. The work of each credit checker should be reviewed by the auditor daily. He should review the credit check of 5 sheets of parcel Bills or Letter Mail Register noting in his diary any mistakes detected by him and initial the sheets checked by him.

*Review of Unchecked Debits and Issue of Search Bills.*

701. By the end of the fourth month following the month of assessment of Customs Duty on inward foreign parcels and Letter Mail articles, the Parcel Bills, Letter Mail Register and the Statement of detained Parcels and Letter Mail articles relating thereto are examined with a view to picking out the entries which remain unchecked. The amounts of such entries are posted in the column provided in the Parcel Bills and Letter Mail Registers for "Unchecked Items". These entries will then be copied in the register of unchecked items in Form (A. G. P. T.-493). Any remark made in the Parcel Bills, Letter Mail Registers, etc., against these items should also be copied in the register. These items are checked by a reference to the bundles of checked parcel receipts and assessment memos. If any receipt relating to the entries copied in the register is found in the bundles, the corresponding entry should be checked by coloured pencil representing the month of credit and then

neatly scored out in red ink. Great care should be taken in copying the unchecked items in the register as subsequent to its preparation audit of recoveries and adjustment of Customs Duty in respect of these items will be conducted in this Register and not in the main Parcel Bills, Letter Mail Registers, etc.

**702.** Search Bills in Form (A.G.P.T.-494) will be issued to the offices of delivery or to the offices of Exchange, in case the office of delivery has not been shown in the Parcel Bills, etc., to intimate the disposal of the parcels or the Letter Mail articles included in the register. In order to reduce the number of Search Bills to be issued, the following documents should be examined and action taken accordingly before their issue

(i) The latest write-back statement received in the Office should be audited to avoid the issue of Search Bills for the items shown in these statements.

(ii) Advance copies of statements showing details of parcels and Letter Mail Articles assessed to Customs Duty but redirected out of India, statements of undeliverable parcels, etc., and statements of reassessment of Customs Duty for which necessary writes-back have been applied for from the Customs Department are received from the offices of Exchange. These statements should be examined and Search Bills should not be issued for the items traceable therein, but a note "write-back applied for" should be made against the entry in the register of unchecked items as the amounts would eventually be adjusted on receipt of the "writes-back" statements of Customs Duty from the Customs Department.

(iii) The register of untraced items should be examined to see whether any credit can be traced in that register for the items for which search bills are to be issued.

(iv) The latest schedules of Customs Duty should be examined to see whether any credits are traceable for the items included in the register. Search Bills should not be issued for such items but a note of recovery should be made in the register against the items concerned.

**703.** Search Bills are not issued for items of Re. 1 and below. These items will be allowed to continue in the register for a period of 18 months on expiry of which, they will be written off the books, if remaining outstanding, under the orders of the Deputy Accountant General.

**704.** Search Bills should then be issued only for the remaining items in the register. The date of issue of the Search Bills should be shown in the column provided for the purpose. The despatcher should initial, in token of despatch, the items in the register, for which search Bills have been issued.

**705.** The register will then be totalled. The total will represent the amount of Customs Duty outstanding for that month.

**706.** The Search Bills as they are received back with the replies should be disposed of promptly and brief notes of, or references to, all correspondence or other action taken towards clearance of the items should be kept in the

column "Note of subsequent reference" of the register when the items are adjusted, the amounts will be shown in the columns of the month in which they are adjusted. The adjustments in a month are totalled and compiled separately for each month at the end of the register.

**707.** A consolidation of the debits outstanding for each month of assessment should be worked out in the register and submitted to the Gazetted Officer for review through the Accountant on the 10th of the 5th month following the month of assessment.

**708.** Items outstanding in the Register of unchecked items for more than six months should be extracted and entered in a separate register. The auditor should take special action for their settlement.

**709.** The recorded cases should be filed serially and bundled.

#### *Results of Audit.*

**710.** The general rules and principles laid down in Chapter 20 of the Posts and Telegraphs Audit Code, Volume I, should be followed in raising, communicating and watching audit objection. The more detailed procedure applicable in the case of Customs Duty objections is described below.

**711.** In the course of audit of Customs Duty accounts the following discrepancies are noticed.

(i) Short or excess debit of Customs Duty due to errors in totalling of parcel Bills and Letter Mail Register.

(ii) Short or excess realisation of Customs Duty on delivery of articles.

iii) Short or excess credits in writes-back granted by the Customs Department.

(iv) Short or excess adjustment of credits on account of Inward Foreign Duty prepaid Parcels in the United Kingdom General Account.

(v) Short or excess credits due to erroneous summation of details in the Schedules of Customs Duty.

**712.** Whenever a difference falling under any one of the classes referred to above is noticed an objection statement in Form (A. G. P. T.-491) should be prepared and issued in duplicate to the office of Exchange in the case of items (i) to (iv) and to the office of delivery in the case of item (v) in Form A. G. P. T.-492. The amount of difference should be shown in the appropriate column of the objection statement.

#### *Objection Book.*

**713.** As the entire transactions relating to Customs accounts are brought to account in the Bombay Circle one Objection Book will be maintained in Form No. A.G.P.T.-433. The objection statement when ready for despatch should be copied into the Objection Book and despatched, the Objection Book itself serving as a despatch register as well. The record clerk should initial in the Objection Book in token of having despatched the objection Statement.



A watch over the return of objection statements should be kept through the Objection Book and reminders issued whenever their return is delayed.

**714.** Items of objection on account of short or excess credits or debits of Customs Duty not exceeding Rs 5 may be waived by the Deputy Accountant General when the correspondence thereon tends to become protracted and the recovery is not possible.

**715.** After all the objection statements in a month have been copied, the Objection Book should be closed by pasting a closing Entry slip (Form No. A. G. P. T.-435) at the bottom of the last page for the month.

**716.** To close the Objection Book, two transfer entries should be prepared in respect of the totals of the first two money columns clearing the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" by debit and credit, respectively, to the heads "Advances Recoverable—Excess debit or short recovery on account of Customs Duty Realisation" and "Deposits—short debit or excess recovery on account of Customs Duty Realisation".

In addition to the objections mentioned above, calls are also issued to the offices of delivery for parcel receipts and assessment memos. not received with the "Schedules of Customs Duty, etc., realised in Cash". In these cases, an objection statement in Form (A. G. P. T.-492) should be issued.

#### *Adjustment Register.*

**717.** Each entry of adjustment made in the Objection Book should also be posted in the corresponding column of the Adjustment Register (Form No. A.G.P.T.-434) and each entry in the Objection Book and in the Adjustment Register should be checked and attested by the Accountant. The total of the money columns of each month's Adjustment Register will be deducted from the total balance of the amounts under objection. It is, therefore, necessary that the Adjustment Register should be closed simultaneously with the Objection Book.

#### *Abstract of Objections.*

**718.** An abstract of Objections will be kept in Form A.T.C.-81 in order to bring together the total amount:

- (1) Objected to during the month.
- (2) Adjusted during the month.
- (3) Balance under Objection.

**719.** The Objection Book together with the three monthly and six monthly registers should be submitted to the Gazetted Officer in charge for review through the Accountant on the 28th of every month.

#### *Broadsheet of Balances.*

**720.** A broadsheet of the debits and credits booked under the head "Advances Recoverable—Excess debit or short recovery on account of

Customs Duty realisations" and "Deposits-Short debit or excess recovery on account of Customs Duty realisations" should be maintained in Forms Nos. A. T. C.-80 and A. T. C.-64 respectively.

The amounts of credits and debits on account of "Advances recoverable" and "Deposits" shown in the Objection Book should be reconciled with the amounts appearing in the Detail Book, brief explanation of the difference being given in the broadsheets. The balances under these two heads are also worked out month by month in the broadsheets "Advances Recoverable" and "Deposits" which are submitted to the Gazetted Officer for review on the 25th of every month.

#### *Recoveries and Refunds.*

721. Recoveries and refunds effected by the Postmasters either on their own initiative or at the instance of the Offices of Exchange are shown by them in the Schedule of Unclassified Receipts and Payments. The Postal Account Section (Bombay Circle) will classify all such items to the head "Advances Recoverable—Excess debit or short recovery on account of Customs Duty Realisation" and "Deposits—Short debit or excess recovery on account of Customs Duty Realisation" on the assumption that they adjust outstandings under the above heads and furnish the Customs Duty Section with details of such items in a register in Form No. A. G. P. T.-436. In the case of Other Postal Circles, the credits and debits will be passed on through the head "Posts and Telegraphs Remittances", by the 1st week of the 2nd month following the month to which the recoveries or refund relate. The auditor, Objection Book should note the adjustments against the corresponding items in the Objection Book. If no such item exists in the Objection Book, the auditor should ascertain the reason of the credit or charge by a reference to the receipts or the memos. and the Parcel Bill or Letter Mail Register or by a reference to the office of Exchange and the office of delivery. The register should be closed monthly, detailing the items which have been outstanding for over three months and submitted to the Gazetted Officer in Charge for review on the 25th of every month.

#### *Consolidation of the Transfer Entries made in the Customs Duty Section.*

722. All adjustments in the Customs Duty Section should be recorded in the Adjustment Book (Form No. P. W. A.-54), with full particulars, initialised by the auditor and passed by the Accountant or the Gazetted Officer. The book should be closed on the 15th of each month by totalling the entries on both the debit and credit sides. Below the closing totals of the month, all items of adjustment should be abstracted under the respective heads of account and the abstract totalled. After the agreement of the totals of the debits and credits with the monthly totals already arrived at, a copy of the abstract should be made out in Form No. A. G. P. T.-519 duly signed by the Accountant and sent to the Book Section on the 16th of each month.

*Verification of Balances.*

**723.** The final stage of work connected with the audit and accounting of Customs Duty transactions is the monthly verification of balances under the head "Advances Recoverable—Customs Duty, etc".

**724.** After all the recoveries in cash effected by the Postmasters on delivery of the parcels and articles and the "writes back" of debit made by the Customs Department and the adjustments of credits on account of Duty prepaid items have been linked with the corresponding debits and the remaining outstanding debits in the Parcel Bills and Letter Mail register, etc., at the end of the fourth month following the month of assessment have been extracted, the process of verification of balances should then be taken up and completed by the end of the fifth month following the month of assessment.

**725.** The debits raised by the Civil Department on account of Customs Duty assessed on Inward Foreign Parcels and articles of Letter Mail are booked under the head "Advances Recoverable—Customs Duty, etc." The recoveries of Customs Duty effected by the Postmasters on delivery of articles as accounted for in their schedules of Customs Duty, the 'writes back' of debit made by the Customs Department and the adjustment of credits appearing in the United Kingdom General Account on account of inward foreign Duty prepaid parcels are also brought to account under the same head. The agreement of this book balance with the total outstandings as extracted in the Register of unchecked debits is called the verification of balances.

**726.** As the proving of balances is done on a monthly basis according to months of assessment and as no heads of account for different months of assessment have been provided for in the books it will be necessary to classify the debits and credits booked in a particular month under the head "Advances Recoverable—Customs Duty, etc." according to different months of assessment.

**727.** Before this, however, the auditor should verify the various compilations with reference to the Detail Book figures under the head "Advances Recoverable—Customs Duty, etc.", communicated by the Book Section.

**728.** The auditor should classify the debits and credits according to months of assessment. For this purpose two registers should be maintained in manuscript (*v.e.*) one for debit and the other for credit. The classified figures should be posted in these registers, totalled and agreed with the total Detail Book figures for the month.

**729.** The compiled and classified figures as per above registers should then be posted in a ledger called the Customs Duty Ledger and the balance for each month of assessment worked out therein.

**730.** Ordinarily the balances for a month of assessment as arrived at in the ledger should agree with the total amount of outstanding debits for that month. But invariably this is not so and a difference is the result. This difference will be mostly due to mistakes committed in the various stages of work. If the

difference is large steps should be taken to overhaul the various adjustments with a view to reduce it as indicated below —

- (a) The total amount of Customs Duty shown in the Parcel Bills and Letter Mail Registers, etc., and claimed in the Customs Bills, are posted in the Register showing the reconciliation of Parcel Bills, etc., with the customs bills. This register should be examined to see whether all the debits have been incorporated in the books.
- (b) The register showing the recoveries of Customs Duty classified according to months of assessment should be examined to see whether all the adjustments of credits have been carried out.
- (c) A statement of actual short and excess realisation of Customs Duty, short or excess debits due to errors in totalling Parcel Bills and Letter Mail Registers and "Write back" posted in the bills and registers, should be prepared from the Parcel bills and Letter Mail Registers and verified with the objection book and other registers through which they have been adjusted.
- (d) The register showing the misclassification of recoveries of Customs Duty should also be scrutinised to see whether the entries of rectification have correctly been done.
- (e) The Parcel Bills and letter Mail Registers should be reviewed to see whether the work of picking of the unchecked items have been done properly.

**731.** The Ledger together with the two registers showing the classification of debits and credits according to months of assessment should be submitted to the Gazetted Officer for review on the last day of every month.

**732.** An extract from the ledger should also be prepared and forwarded to the Accountant General, Posts and Telegraphs on the 7th of the sixth month following the month of assessment.

**733.** After all the debits on account of inward Customs Duty relating to a year have been cleared, the residual difference, if any, represents the amount of difference between the total debits and the total credits for that year which cannot be reconciled. If the difference is a plus figure, it indicates that the balance according to Books is more than that in the register of unchecked debit. If however, the difference is a minus one it means an excess adjustment of credits. Special and effective steps should be taken to keep down the difference to a minimum and a special investigation made when the difference is so large as to reflect laxity in the process of check.

**734.** Soon after the outstanding debits for which search bills were issued, have been completely adjusted, the net amount of unexplained difference for the year as it then stands should be reported to the Accountant General, Posts and Telegraphs, for the removal of the difference from the Books. The total amount of the unexplained difference in the Customs Ledger for a year as communicated by the Nagpur Audit Office will be transferred to the head

“Miscellaneous Revenue” of the Department under the orders of the Accountant General in the books of the Bombay Postal Circle. A report should also be sent to the Accountant General, after the adjustment is completed.

735. A report showing the position of unexplained difference in the inward Customs Accounts and the amount of unreconciled difference taken to the head “Miscellaneous Revenue” should be made by the Accountant General to the Auditor General for his information.

*Parcel Receipts and Assessment Memos. sent out.*

736. Requisitions for Parcel receipts and Assessment Memos. are received from Departmental Officers and Collectors of Customs. Such letters should be indexed in a separate register in Form No. A. G. P. T.-440 with suitable modifications and disposed of expeditiously. In respect of receipts or memos. called for, a reference should be made to the Parcel Bills or Letter Mail Register and the Schedule of Customs Duty to see if they have been received in audit. If traced, a check slip in printed form No. A. G. P. T.-488 should be prepared and substituted in place of the receipt or memo sent out. The despatch of these receipts and memos should be noted in the index register itself. If the receipts or memos. have not been received in audit or are in the sorting stage and cannot therefore conveniently be isolated and removed or have been destroyed in the usual course a reply in printed Form No. A. G. P. T.-485 should be sent.

737. Parcel receipts and Assessment memos. sent to Department Officers will not be returned but will be filed by them along with the relative cases. In the case of receipts sent to the Collectors of Customs their return should be watched through the index register.

738. The register should be reviewed by the Accountant weekly and submitted to the Gazetted Officer on the last day of every month.

*Progress and Review Reports.*

739. Each sub auditor of the Section should record the work or outturn done by him for each day in a progress report maintained for his group in the prescribed form. The auditor should check these reports and submit them to the Accountant daily for review. A consolidated report for the item work of the Section as a whole should also be prepared by the auditor Schedule Check Group and submitted to the Accountant daily. The Accountant should check these reports daily but will submit them to the Gazetted Officer on every Monday.

740. The auditors, Schedule and Credit Checking groups should maintain a separate diary in Form No. A. G. P. T.-444. They should record therein the result of the review conducted by them and submit the diary to the Accountant daily, and to Gazetted Officer on every Monday.

741. The Accountant should also maintain a diary in Form No. A. G. P. T.-444 showing the review done by him of the different kinds of work. He should check at least three sheets of Parcel Bills and Letter Mail Registers and examine

in detail three items of discrepancies noted by the reconciler as mistakes in machine operator's totals. The review should not be confined merely to a check of the above but should extend to all other items of work done in the Section. The diaries should be submitted to the Gazetted Officer on every Monday.

742. An error book will be kept in manuscript by the Accountant who should note therein all mistakes committed by the Checkers and other sub auditors.

*Outward Parcels (duty prepaid).*

743. On receipt of the memorandum of customs duty prepaid with the sender's agreements from the Post Office (*vide* Rules 149 to 151 of the Posts and Telegraphs Manual, Volume VI) it should be examined to see generally, (1) whether the parcel is intended for a country with which the duty-prepayment system is in vogue, (2) whether the amount shown in the memorandum agrees with that in the agreement, and (3) whether ordinary stamps to the value of that amount have been affixed to the form of agreement, any discrepancy noticed being settled in communication with the Postmaster of the office of posting or the office of exchange, as the case may require.

The total amount of all the memoranda in respect of a Postal Circle should then be consolidated (Customs duty and Postal fee being shown separately) and adjusted by debit to the head "Deduct—value of stamps used for realising customs duty" and credit to the proper detailed head under "Deposits" in respect of the amount realised on account of customs duty and to the head "Fees and other receipts—other items" in respect of the amount realised on account of Postal fee.

744. The statements of parcels despatched to Great Britain and Northern Ireland, the Irish Free State, Egypt, etc., received from the offices of exchange every week (or month) should be compared with the corresponding memoranda to see whether all the parcels specified in the latter have been despatched and incidentally, whether any parcels despatched were omitted to be entered in the memorandum. Such discrepancies should be settled in communication with the office of exchange or the office of posting, as the case may be.

745. When the Franking Notice showing the claim of the countries mentioned in Article 744, in respect of each parcel is received from the office of exchange, the sterling amount should be converted into rupee currency at the rate (prescribed by the Director General, Posts and Telegraphs, from time to time) prevalent on the date of posting of the parcel and the difference between the amount thus obtained and that originally realised by the Postmaster should be recovered from, or refunded to, the party concerned through a statement in Form No. A. G. P. T.-476. The amounts to be recovered or refunded should also be noted in the columns provided for the purpose in the memorandum of customs duty prepaid.

NOTE.—In the case of the Egyptian and other Postal Agreements with which the duty pre-payment system is in vogue, the Egyptian (or other) amount should be converted into 'sterling' at the prescribed rate of exchange, before any other action can be taken.

**746.** The memorandum of customs duty realised by the Post Office, Form No. R. P.-13(c), should be collected together for each Circle and be used in the Audit Office as the register of customs duty. The columns for use in the Audit Office should be filled in on receipt of the franking notices from the offices of exchange and the monthly statement from the Deputy Accountant General, Posts and Telegraphs, Nagpur, *vide* Article 749.

A register in Form No. A. G. P. T.-477 (Register of credits and debits under Deposits—Customs Duty—United Kingdom) should also be opened in which the total for each Head Office should be compiled and the total for each Circle arrived at. In this Register should be posted each month the total credits and debits as collected from the memorandum of customs duty (columns 6, 17, 18, 19 and 20 are concerned) and the figures agreed with the detail book figures including adjustments communicated by the Deputy Accountant General, Posts and Telegraphs, Nagpur, through the Remittance head. This register will thus include the debits and credits appearing in the cash accounts on account of recoveries and refunds of customs duty authorised by the Audit Office, which are taken to the Head “Deposits—customs duty” and will also serve the purpose of a broadsheet as opening and closing balances are entered therein.

The register should be maintained by the customs duty auditors who should note the particulars of each recovery and refund in the proper column of the memorandum of customs duty prepaid and institute further correspondence in respect of the items remaining unsettled. The register should be submitted to the Gazetted Officer for review on the 20th of the second month following that to which the accounts relate.

**747.** No separate objection book need be maintained by the customs duty auditor. A watch over the items to be recovered or refunded should be kept through the memorandum of customs duty prepaid, the number and date of the reference made being noted in the “remarks” column against the item concerned. The memorandum should be submitted (after objections have been entered in it) every month to the Accountant who should see that proper steps are taken in each case and bring to the notice of the Gazetted Officer all cases remaining unsettled for over six months.

**NOTE.**—In cases in which refunds cannot be made, the amount should be credited to “Abstract B-Miscellaneous Revenue—Fees and Other Receipts—Other items” by debit to the detailed head under “Deposits”. In cases in which recovery cannot be made and the amounts are ultimately written off by the Director General or the Postmaster General, the amount should be adjusted by credit to the head “Deposits” and debit to “Losses, etc., written off” in “Abstract J.”

**748.** On receipt of the monthly General Account from the Superintendent, Foreign Post, Bombay, through which credit is afforded to the United Kingdom, the Deputy Accountant General, Posts and Telegraphs, Nagpur, should make an adjustment debiting the proper head under “Deposits” in respect of Customs Duty relating to the Nagpur Audit office and Remittances—Posts and Telegraphs remittance in respect of Customs duty relating to other Postal

Audit Offices, and crediting the head "Accounts between England and India, etc.". In making this adjustment, the sterling amount claimed by the United Kingdom should be converted into rupee currency at the rate of Re 1=1s. 6d.

The amount debited to other Postal Audit offices through the head "Remittance—Post and Telegraph remittance", should be communicated through an advice of transfer and the amount so transferred should be adjusted by debiting the proper head under "Deposits" and crediting the head "Remittances—Post and Telegraph Remittance", by the other Postal Audit Offices concerned.

NOTE—Credits on this account due to the Egyptian and other Postal Administrations are also afforded through the General Account received from the Superintendent, Foreign Post, Bombay and the same adjustment as above should be made in those cases (See also Note to Article 745)

**749.** A monthly statement of customs duty adjusted through the General Account received from the Superintendent, Foreign Post, Bombay, should be forwarded by the Deputy Accountant General, Posts and Telegraphs, Nagpur, to the Postal Audit Offices concerned. Each item in the statement should be compared and verified in the Audit Office with the corresponding Franking Notice. The amount actually recoverable in rupees in respect of each item as worked out on the Franking Notice (*vide* Article 745), should also be noted against the item in the statement. The difference between the total sterling amount converted at the rate of Re. 1=1s. 6d. and the amount actually recoverable should then be adjusted by debit to the proper head under "Deposits" and *per contra* credit or debit to the head "Exchange on Remittance Account—Miscellaneous. The amount debited to "customs duty" should be noted in column 19 and the difference in column 20 of the Franking notice [Form No R. P.-13(c)].

**750.** When a parcel, sent from India to any of the countries mentioned in Article 744, is returned undeliverable, or intimation is received that it has been lost in transit or destroyed in the country of its destination on sanitary grounds with the consent of the addressee, the office of exchange will communicate the fact to the Postal Audit Office concerned, citing the number and office of posting of the parcel and the date of the weekly statement in which its despatch to the foreign country was shown and in the case of return of the parcel, forward it with a Refund Notice (addressed to the sender) to the Postmaster of the office at which the parcel was posted. The order for refund to the sender of the amount *deposited* will then be issued by the Audit Office to the office of posting. The charge when traced should be classified to the proper head under "Deposits".

NOTE 1.—Should credit for the amount of the charges assessed in the country of destination have already been afforded, the Bombay Office will take credit for the amount in the next General Account, on receipt of which adjustments counter to those mentioned in Articles 748 and 749 should be made.

NOTE 2.—The postal fee of four annas will in no case be refunded. But when a mistake occurs through the fault of a Post Office official it is always open to the Postmasters General concerned to recover the amount of the fee from the official at fault and to refund the same to the sender.



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## APPENDICES.

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## APPENDIX A.

## APPENDIX A.

[Referred to in Note 2 to Article 33.]

**Method of calculation of Paid-up value, Surrender value, etc., of Postal Insurance Policies with tables showing rates of monthly premia, etc.**

NOTE.—These methods of calculation are liable to revision from time to time and cases will be dealt with according to the method in force at the time they arise.

**I.—Reduced Paid-up Value of a Policy.**

Determine the "Attained Age"—" $x+n$ ", where " $x$ " is the "Office Age—Next Birth Date—At Entry," and " $n$ " is the number of years' premiums paid.

In the case of those Limited Payments and Endowment Assurance policies under which the number of premiums payable falls short of the maximum number, the "attained age" should be determined by subtracting from the age at which premiums are to cease, the number of years' premiums remaining to be paid.

Example—

'Y' = Specified age on which the policy will mature.

'Z' = Number of premium remaining to be paid.

Then  $Y - Z =$  attained age

Under all fully paid-up policies as well as those which have been made paid up for reduced amounts, the age to the nearest month should be taken as the attained age.

In case of whole Life policies the paid-up value is to be worked out according to the following formula:—

$$\frac{\text{Higher premium} - \text{Lower premium}}{\text{Higher premium}} \times \text{Value of the policy} + \text{bonuses.}$$

Higher premium means the premium at the "attained age" and Lower premium means the premium at the age next birth date at entry.

In the case of other policies the paid-up value is to be taken as equal to a proportionate part of the sum assured corresponding to the premiums actually paid.

NOTE 1.—When the "Attained Age" includes fractional duration, the calculations are made separately for two (integral) ages between which the Attained age lies, and the Value for the Attained age is worked out by interpolating between the two results.

NOTE 2.—In the case of a converted or commuted policy the Paid-up value is to be calculated as above only in respect of the assurance which is covered by the premium payable under it and not of the whole assurance. This paid-up value with the paid-up amount that is included in the assurance will give the paid-up value for the total assurance. Thus, if in respect of a converted policy for Rs.  $a+b$ , " $a$ " is the paid-up amount, and the premium payable is in respect of  $b$  only, then the paid-up value is to be determined as above only in respect of " $b$ ", and if it works out as " $c$ ", then the paid-up value of the assurance " $a+b$ " is taken as " $a+c$ ".

NOTE 3.—The paid up portion of a converted policy, when the conversion was made according to the old formula that obtained before Mr. Ackland's formula came into use, from the 26th May 1914 is to be taken as the difference between the face value of the converted policy and the amount of the assurance which is covered by the premium that is being paid under the converted policy.

Examples—

(a) To find the paid-up value on 28th June 1916 of a W. L. for Rs. 4,000 issued on 18th June 1888 with the "Office Age at entry"—27, the date of birth being 18th June 1861.

Office age at entry—(n. b. d.) 28.

Number of Years' premiums paid 1916—6 minus 1888-6 :—28 years 1 month.

Attained Age :—56 years 1 month.

## APPENDIX A

Sum Assured :—Rs. 4,000.

Bonus of 1907 :—Rs. 400.

Premium for Rs. 1,000 of W. L. at age 28 :—398 pias (Table A2).

Premium for Rs. 1,000 of W. L. at age 56 :—1,206 pias (Table A2).

Premium for Rs. 1,000 of W. L. at age 57 :—1,270 pias (Table A2).

Paid-up value for age 56 :—Rs.  $808/1,206 \times 4,400$ , i.e., Rs. 2,947.92.

Paid-up value for age 57 :—Rs.  $4,400/872/1,270$ , i.e., Rs. 3,021.1.

Difference for 12 months :—Rs. 73.18.

Difference for one month (*pro rata*), Rs. 6.09.

Paid-up value for age "56-1" :—Rs. 2,954.01.

Add Bonus of 1912, Rs. 440.

Total Paid-up value required :—Rs. 3,394 roundly.

(b) To find the paid-up value on 31st January 1917 of an E A 50 for Rs. 2,000 issued on 25th March 1899 with an Office Age at entry "32", the date of birth being 25th March 1868.

Premium payable till :—February 1917.

Date of policy :—March 1899

Number of months' premiums payable :—18 years, i.e., 216 months.

Date of application :—January 1917

Premiums paid for :—17 years 11 months, i.e., 215 months.

Paid-up value :—Rs.  $2,000 \times 215/216$  plus bonus for (1907-12) Rs. 100, i.e., 1,990 + 100 or Rs. 2,090.

## II.—Surrender Value of a Policy.

Determine the Paid-up Value of an assurance for the "Attained age", as under Item I.

Determine from Tables A3 or B3 (Parts I and II) the Single Premium at the Attained Age " $x+n$ " for unit of the assurance.

The Surrender Value for the "Attained Age" is the product of the Paid-up value and the Single premium.

NOTE 1.—When the "Attained age" includes fractional duration, the surrender value is to be calculated separately for two ages (integral) between which the attained age lies and the final result is to be obtained by method of interpolation. All fractions are to be neglected from the final result.

### Examples—

(a) To find the surrender value of the policy given in example (a) of Item I :—

Single premium for attained age 56 of Unit of Life Insurance as per Table A3 :—518.

Single premium for attained age 57 of Unit of Life Insurance as per Table A3 :—530.

Surrender value for age 56 :—Rs.  $808/1206 \times 4,400 \times .518 + 440 \times .518$ , i.e., Rs. 1,754.9.

Surrender value for age 57 :—Rs.  $872/1270 \times 4,400 \times .530 + 440 \times .530$ , i.e., Rs. 1,835.2.

Difference for 12 months :—Rs. 80.3.

Difference for one month :—Rs. 6.69.

Surrender value for age 56.1 :—1,761.59 or 1,761.